

October 5, 2022

To: Mayor and Members of City Council

From: Sheryl M. M. Long, City Manager *SM*

202201888

Subject: **Emergency Ordinance – FY 2022 Year-End Report
Recommended Transfers and Appropriations**

Attached is an Emergency Ordinance captioned:

AUTHORIZING the transfer of the sum of \$1,624,471 from the unappropriated surplus of General Fund 050 to the unappropriated surplus of Working Capital Reserve Fund 754 for the purpose of increasing the City's working capital reserve; **AUTHORIZING** the transfer of the sum of \$17,609,147 from the unappropriated surplus of General Fund 050 to balance sheet reserve account no. 050x2585, "Economic Downturn Reserve," for the purpose of increasing the City's emergency reserve; **AUTHORIZING** the transfer of the sum of \$2,830,482 from the unappropriated surplus of General Fund 050 to balance sheet reserve account no. 050x2580, "Reserve for Weather Events, Other Emergency and One-Time Needs," for the purpose of providing resources for unanticipated emergencies including those caused by unusual weather events, in order to increase the City's reserve; **ESTABLISHING** new capital improvement program project account no. 980x162x231645, "Affordable Housing Trust Funding – GF CO," for the purpose of providing resources for a one-time contribution to the City's Affordable Housing Trust Fund; **AUTHORIZING** the transfer of the sum of \$5,000,000 from the unappropriated surplus of General Fund 050 to newly created capital improvement program project account no. 980x162x231645, "Affordable Housing Trust Funding – GF CO," for the purpose of providing a one-time contribution to the City's Affordable Housing Trust Fund; **AUTHORIZING** the transfer and appropriation of the sum of \$2,000,000 from the unappropriated surplus of General Fund 050, the source of which is the FY 2022 Carryover Balance, to the City Manager's Office personnel operating budget account no. 050x101x7500 for the purpose of providing a one-time contribution to address the City's pension obligation to the Cincinnati Retirement System; **RENAMING** balance sheet reserve account no. 050x2535 within the General Fund 050 from "Emergency Reserve" to "Reserve for Operating Budget Contingencies"; **AUTHORIZING** the transfer of the sum of \$500,000 from the unappropriated surplus of the General Fund 050 to the newly renamed balance sheet reserve account no. 050x2535, "Reserve for Operating Budget Contingencies," for the purpose of providing resources for subsequent appropriation for one-time unforeseen operating needs that

arise during the remainder of the ongoing fiscal year; AUTHORIZING the transfer and appropriation of the sum of \$250,000 from the balance sheet reserve account 050x2535, "Reserve for Operating Budget Contingencies," to the various General Fund operating budget accounts according to the attached Schedule A of the General Fund Operating Budget Schedule of Appropriation for the purpose of providing one-time funds for the following: the Emergency Communications Center to extend the Alternate Response to Crisis mental health pilot program with Police Dispatch until the end of FY 2023 (\$140,000); the Cincinnati Police Department for Downtown Event Deployment Overtime (\$60,000); the Law Department for expungement efforts (\$25,000); and the Cincinnati Recreation Commission for the lifeguard recruitment and retention pay program (\$25,000); AUTHORIZING the transfer and appropriation of the sum of \$26,103,292 from the unappropriated surplus of General Fund 050 to various capital improvement program project accounts according to Schedule B of the Capital Budget Schedule of Transfer; ESTABLISHING new capital improvement program project account no. 980x164x231619, "Neighborhood Business District Support – GF CO," for the purpose of providing resources for neighborhood projects that were submitted through the City's Neighborhood Business District Improvement Program ("NBDIP") or the Neighborhood Business District Support Grant Program but did not receive funding due to limited resources; AUTHORIZING the transfer of the sum of \$1,500,000 from the unappropriated surplus of General Fund 050 to newly created capital improvement program project account no. 980x164x231619, "Neighborhood Business District Support – GF CO," for the purpose of providing resources for neighborhood projects that were submitted through the City's NBDIP or the Neighborhood Business District Support Grant Program but did not receive funding due to limited resources; ESTABLISHING new capital improvement program project account no. 980x164x231618, "Convention Center District – GF CO," for the purpose of providing resources for improvements to the Convention Center District; AUTHORIZING the transfer of the sum of \$7,000,000 from the unappropriated surplus of General Fund 050 to newly created capital improvement program project account no. 980x164x231618, "Convention Center District – GF CO," for the purpose of providing resources for improvements to the Convention Center District; ESTABLISHING new capital improvement program project account no. 980x164x231617, "OTR Outdoor Improvements – GF CO," for the purpose of providing resources for outdoor improvements to the Ziegler Park area in Over-the-Rhine; AUTHORIZING the transfer of the sum of \$3,500,000 from the unappropriated surplus of General Fund 050 to newly created capital improvement program project account no. 980x164x231617, "OTR Outdoor Improvements – GF CO," for the purpose of providing resources for outdoor improvements to the Ziegler Park area in Over-the-Rhine; ESTABLISHING new capital improvement program project account no.

980x164x231627, "CEAI – GF CO," for the purpose of providing resources for Community Economic Advancement Initiatives ("CEAI") for business district investment in the Bond Hill and Roselawn neighborhoods; AUTHORIZING the transfer of the sum of \$250,000 from the unappropriated surplus of General Fund 050 to newly created capital improvement program project account no. 980x164x231627, "CEAI – GF CO," for the purpose of providing resources for CEAI for business district investment in the Bond Hill and Roselawn neighborhoods; ESTABLISHING new capital improvement program project account no. 980x164x231626, "Minority Business Accelerator-Ascend – GF CO," for the purpose of providing resources to support the Lincoln & Gilbert initiative for minority business investment in Cincinnati; AUTHORIZING the transfer of the sum of \$1,000,000 from the unappropriated surplus of General Fund 050 to newly created capital improvement program project account no. 980x164x231626, "Minority Business Accelerator-Ascend – GF CO," for the purpose of providing resources to support the Lincoln & Gilbert initiative for minority business investment in Cincinnati; AMENDING Ordinance No. 0196-2022 to identify the source of the unappropriated surplus as being FY 2022 Carryover Balance; AMENDING Ordinance No. 0224-2022 to identify the source of the unappropriated surplus as being FY 2022 Carryover Balance; AMENDING Ordinance No. 0257-2022 to identify the source of the unappropriated surplus as being FY 2022 Carryover Balance; AMENDING Ordinance No. 0278-2022 to identify the source of the unappropriated surplus as being FY 2022 Carryover Balance; ESTABLISHING new balance sheet reserve account no. 050x3440 within the General Fund 050, "Infrastructure and Capital Project Reserve," for the purpose of providing resources for subsequent appropriation by Council for identified one-time infrastructure and capital projects for identified urgent needs or as part of the next annual budget cycle; AUTHORIZING the transfer of the sum of \$7,294,178 from the unappropriated surplus of the General Fund 050 to the newly established balance sheet reserve account no. 050x3440, "Infrastructure and Capital Project Reserve," for the purpose of providing resources for subsequent appropriation by Council for identified one-time infrastructure and capital projects for identified urgent needs or as part of the next annual budget cycle; and DECLARING certain projects to be for a public purpose, all for the purpose of carrying out the Capital Improvement Program.

This Emergency Ordinance would authorize the various transfers and appropriations as recommended in the FY 2022 Carryover to FY 2023 Report (Item #202201885) which includes the following transfers and appropriations:

Application of FY 2022 Carryover Balance

Cash Basis Carryover Balance FY 2022		\$ 85,100,533
Uses of Carryover Balance		
Application of Stabilization Funds Policy:		
Less General Fund Carryover Balance (1.5% of operating revenue)		\$ 8,075,902
Less Transfers to Reserve Accounts:		
General Fund Contingency Account (2.00% of operating revenue)	\$ 2,830,482	
Economic Downturn Reserve (5.00% of operating revenue)	\$17,609,147	
Working Capital Reserve (8.2% of operating revenue)	<u>\$ 1,624,471</u>	
Total Reserve Transfer from Stabilization Funds Policy		\$ 22,064,100
Carryover Balance Less Total Applied to Stabilization Funds Policy		<u>\$ 54,960,531</u>
Less Modified Waterfall Uses:		
CRS Pension Contribution		\$ 2,000,000
Affordable Housing Trust Fund		\$ 5,000,000
Operating Budget Contingencies Account		<u>\$ 500,000</u>
	Total	<u>\$ 7,500,000</u>
	Balance Available	<u>\$ 47,460,531</u>
Less One-Time Uses:		
Administration's Recommended One-Time Uses		
Deferred Capital Maintenance - 55%		\$ 26,103,292
Neighborhood Business District Capital Support		\$ 1,500,000
Convention Center District Improvements		\$ 7,000,000
Over-the-Rhine (OTR) Outdoor Improvements (Inc. Ziegler Park Expansion)		\$ 3,500,000
CEAI - Bond Hill Business District Investment		\$ 250,000
Lincoln and Gilbert		<u>\$ 1,000,000</u>
	Total	<u>\$ 39,353,292</u>
	Balance Available	<u>\$ 8,107,239</u>
Council Funding Priorities		
FY 2022 Reappropriations - Ordinance No. 0196-2022		\$ 793,111
Councilmember Landsman Reappropriation from FY 2022 - Ordinance No. 0224-2022		\$ 5,000
Vice-Mayor Kearney Reappropriation from FY 2022 - Ordinance No. 0257-2022		\$ 10,000
Councilmember Cramerding Reappropriation from FY 2022 - Ordinance No. 0278-2022		<u>\$ 4,950</u>
	Total	<u>\$ 813,061</u>
	Balance Available	<u>\$ 7,294,178</u>

Additional information regarding the overview of the City of Cincinnati's financial condition for the fiscal year (FY) ending June 30, 2022, can be found in the Department of Finance Reports for the Fiscal Year Ended June 30, 2022 (unaudited) (Item #202201887).

The reason for the emergency is the immediate need to accomplish the authorized transfers and appropriations so that the funding described herein is in place immediately and so that the necessary expenditures described herein may be made as soon as possible.

The Administration recommends passage of this Emergency Ordinance.

cc: William "Billy" Weber, Assistant City Manager
Andrew M. Dudas, Budget Director
Karen Alder, Finance Director

Attachments