

# Budget and Finance Committee

## FY 2022 Carryover

October 10, 2022

# FY 2022 Carryover to FY 2023

## FY 2022 Carryover Amount:

- \$85.1 million
  - Resulting from a combination of revenues exceeding estimates, expenditure savings, and prior-year cancelled encumbrances.
  - In FY 2022, \$67.5 million of general fund operating expenditures were paid with American Rescue Plan (ARP) funds.

# Stabilization Funds Policy

## Goal:

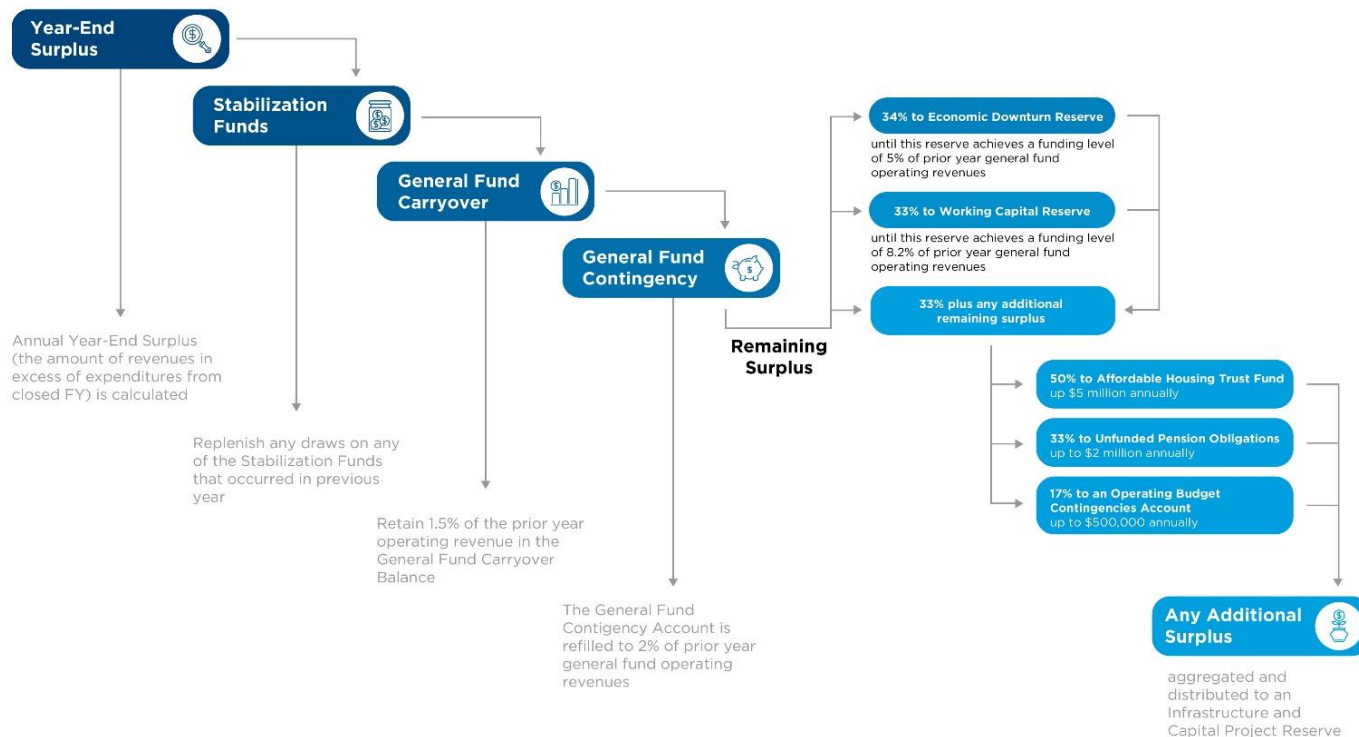
- Set aside 16.7% of general operating budget revenues as reserves.
- Reserve amount is based on the Government Finance Officers Association (GFOA) recommended goal of two months of estimated revenues.
- Sufficient reserve balances are critical to maintaining the City's credit rating.

# Stabilization Funds Policy

## Stabilization Funds Policy:

- Determines the allocation of the carryover amount
- Amended by Ordinance No. 0056-2022 which established a revised waterfall funding mechanism

# Stabilization Funds Policy: Waterfall Funding Mechanism



# Stabilization Funds Policy Application

## Stabilization Funds Policy:

- General Fund Carryover Balance (1.5% of operating revenue) = **\$8.1 million**
- Transfers to Reserve Accounts:
  - General Fund Contingency Account (2.0% of operating revenue) = \$2.8 million
  - Economic Downturn Reserve (5.0% of operating revenue) = \$17.6 million
  - Working Capital Reserve (8.2% of operating revenue) = \$1.6 million
- **Total Transfers: \$22.1 million**

# Reserve Account Balances

Balances June 30, 2022  
After Proposed Transfers

Annual Revenue	\$538,393,480	*
Working Capital Reserve	\$44,148,265	8.20%
General Fund Contingency Account	\$10,767,870	2.00%
Economic Downturn Reserve	\$26,919,674	5.00%
General Fund Carryover Balance (After Uses)	<u>\$8,075,902</u>	<u>1.50%</u>
Total Combined Reserves	\$89,911,711	16.70%
Existing Balance of Income Tax Reserve for Refunds	<u>\$50,015,389</u>	
Total Combined Reserves	\$139,927,100	

\*Includes \$67.5 million of ARPA funding.

# Waterfall Funding Mechanism: One-Time Uses

## One-Time Uses:

- Cincinnati Retirement System (CRS) Pension Contribution = **\$2.0 million**
  - Increases City's contribution rate in FY 2023 from 16.25% to apx. 17%
- Affordable Housing Trust Fund = **\$5.0 million**
  - Recommended to be deployed through CDF Partnership
  - Summary of terms included in report in [Attachment A](#)
  - Combination of Forgivable Loans and Repayable Loans

### Forgivable Loan Maximums:

Area Median Income ("AMI") Level for Unit	Maximum Forgivable Loan per 1-2 Bedroom Unit	Maximum Forgivable Loan per 3+ Bedrooms
Up to 60% AMI	\$50,000 per unit	\$60,000 per unit
Up to 80% AMI	\$25,000 per unit	\$30,000 per unit
Up to 100% AMI	\$10,000 per unit	\$20,000 per unit



# Waterfall Funding Mechanism: One-Time Uses

## One-Time Uses:

- Operating Budget Contingencies Account = **\$0.5 million**
  - \$250k allocated as follows:
    - \$140k = Emergency Communications Center Extension of Alternate Response to Crisis (ARC) Mental Health Pilot Program
    - \$60k = Cincinnati Police Department Downtown Deployment Overtime
    - \$25k = Law Department Marijuana Expungement Efforts
    - \$25k = Recreation Lifeguard Recruitment and Retention Pay
  - Administration recommending remaining \$250k be held in reserve for operating needs identified throughout the remaining fiscal year.

# Administration's Recommended One-Time Uses

Deferred Capital Maintenance (55% of remaining amount) = **\$26.1 million**

- Attachment B includes additional information on deferred capital maintenance
- Enterprise Technology Solutions = **\$1.7 million**
  - City Radio Replacements
- City Manager's Office = **\$2.0 million**
  - Dedicated Funding for Community Budget Requests (CBRs) = \$1.5 million
  - Communications Equipment Upgrades (including CitiCable) = \$0.5 million
- Recreation = **\$5.0 million**
  - Recreation Facilities Renovations = \$2.5 million
  - HVAC and Pavement Improvements = \$2.0 million
  - Evanston Recreation Area Improvements = \$0.5 million

# Administration's Recommended One-Time Uses

## Deferred Capital Maintenance (continued)

- Parks = **\$3.5 million**
  - California Woods Stream Stabilization Efforts = \$1.5 million
  - Smale Riverfront Park Erosion Stabilization Efforts = \$1.0 million
  - Lower Inwood Park Renovations = \$1.0 million
- Transportation and Engineering = **\$3.9 million**
  - Traffic Signal Infrastructure = \$2.0 million
  - Street Light Infrastructure (including LED conversion) = \$1.4 million
  - Winter Weather Spot Infrastructure Maintenance = \$0.5 million
- Public Services – Fleet Services = **\$1.5 million**
  - Fleet Replacements

# Administration's Recommended One-Time Uses

## Deferred Capital Maintenance (continued)

- Public Services – City Facilities Management = **\$5.0 million**
  - Fleet Facilities Renovations = \$3.5 million
  - Public Safety Facilities Improvements = \$1.0 million
  - Americans with Disabilities Act (ADA) Improvements = \$0.5 million
- Health = **\$3.5 million**
  - Health Facilities Improvements at various locations including the Bobbie Sterne Health Center, the Price Hill Health Center, the Northside Health Center, the Price Hill Health Center, and the Burnet & King Facility

## Administration's Recommended One-Time Uses (continued)

- Neighborhood Business District Capital Support = **\$1.5 million**
- Convention Center District Improvements = **\$7.0 million**
- Over-The-Rhine (OTR) Outdoor Improvements (includes Ziegler Park Expansion) = **\$3.5 million**
- Community Economic Advancement Initiatives (CEAI) Bond Hill/Roselawn Business District Improvements = **\$250k**
- Lincoln & Gilbert Initiative (Minority Business Accelerator/Ascend) = **\$1.0 million**

## FY 2022 Reappropriations One-Time Uses

- FY 2022 Reappropriations – Ordinance No. 0196-2022 = **\$793,111**
- Council Office Budget Reappropriations = **\$19,950**
  - CM Landsman Ordinance No. 0224-2022 = \$5,000
  - Vice-Mayor Kearney Ordinance No. 0257-2022 = \$10,000
  - CM Cramerding Ordinance No. 0278-2022 = \$4,950
- **Total Reappropriations: \$813,061**

# City Council Funding Priorities

- Remaining Balance Available = **\$7.3 million**
- Carryover report included proposed deployment processes for three previously stated priorities: supplemental AHTF resources, human service capital projects, and neighborhood capital projects.
- Additional funding to deferred capital maintenance and pedestrian safety initiatives are also being diligenced by Administration.
- Next Monday, Administration will provide recommendation for the allocation of the remaining balance based on stated Council priorities.

# Questions?