



# 2027 Tentative Tax Budget Overview

December 8, 2025

# Tentative Tax Budget Background

- A Tentative Tax Budget (TTB) is required under Ohio State law to be passed by January 15<sup>th</sup> and submitted to the County Auditor by January 20<sup>th</sup>.
- The approved TTB is the basis for establishing the City's CY 2027 property tax millage rate—providing resources for the City's FY 2027 and FY 2028 budget.
- This is the only opportunity City Council has to set the City's property tax millage rate for CY 2027, but while the TTB meets the state's requirements, it does not set the FY 2027 General Fund Operating Budget.
- The City's charter, as approved by voters, allows for 6.1 mills to fund the City's current operating expenses and such additional millage as necessary to fund debt service and expenses for the City's outstanding debt.

# CY 2027 TTB Recommendation

- The Administration is recommending that that CY 2027 property tax millage rates be maintained at the same amount as CY 2026:

Operating Millage = **6.10 mills**

Debt Millage = **7.50 mills**

- Based on updated income tax projections, Hamilton County Auditor's current assessed property values, and the recommended 6.10 operating millage rate, the TTB projections for the City's FY 2027 General Fund Budget are:

Projected FY 2027 GF Revenue	\$597,740,495
Projected FY 2027 GF Expenditures	<u>\$629,809,834</u>
Projected Deficit	(\$ 32,069,339)

# FY 2027 Budget Development

**The City Administration will be working over the next several months to produce the FY 2027 Recommended Budget Update and will produce a structurally balanced budget.**

- The Administration continues to work on identifying and executing on revenue enhancement initiatives to be ready for FY 2027. The results of that work will be fully incorporated into the Recommended FY 2027 Budget Update and revenue projections will be updated again.
- Additionally, the Administration has been working on expense efficiencies and Performance Based Budgeting (PBB) is now fully implemented. PBB will allow the Administration to make strategic budget reduction recommendations. These initiative results will also play a role in developing the Recommended FY 2027 Budget Update.
- The projected deficit is equal to 5.09% of the projected FY 2027 General Fund Budget and will be closed through a combination of revenue enhancements and expenditure reductions.

# FY 2027 Budget – Revenue Trends

- Based on historic collections and updated data on economic trends, the Finance Department is projecting \$14.22 million or 3.8% increase above the FY 2026 estimate in FY 2027 for City income tax General Fund revenues.
- Net Profit estimated quarterly returns have decreased by 35% from FY25 Oct YTD to FY26 Oct YTD. Payroll withholding growth remains steady in that same period. The Finance Department will continue to monitor these trends.
- The Finance Department will update the forecast again in March 2026 and those updated amounts will be used as part of the FY 2027 Budget Update process.

# FY 2027 Budget – Expense Trends

- The AFSCME, AFSCME Municipal Workers, CODE, Building Trades, and Teamster contracts were renegotiated earlier this fiscal year. Wage increases of 5%, 4%, and 3% over a three-year period were agreed upon. The FY 2027 Budget Update expense projection is in accordance with these new contracts.
- The recent IAFF grievance settlement agreement resulted in wage adjustments and is also included in the FY 2027 Budget Update expense projection.
- At present, projections of expense growth continue to outpace projections of revenue growth, which will require expenditure reductions in order to produce a structurally balanced budget.

# Important TTB Dates and Deadlines

December 8, 2025

Public Hearing

December 10, 2025

Approval of the TTB Resolution

January 15, 2026

Submission to the County Auditor

Questions?