

Budget and Finance Committee

City Manager's Recommended FY 2026-2027 Biennial Budget

May 27, 2025

FY 2026 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 2026 Budget 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 2025 to 2030, the UC Economics Center predicts that income tax revenues will grow less than 2.0% annually with a compound annual growth rate of 1.69%. The biggest change since the previous forecast is economic policy uncertainty, notably the impact of tariff and deportation policies at the Federal level.
- For FY 2028 through FY 2030 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 2026 All Funds Operating Budget

(\$ in Millions)	From Approved FY 2025				From Recommended			
	Update				FY 2026			
	Approved FY 2024	Approved FY 2025 Update	Recommended FY 2026	\$ Change	% Change	Recommended FY 2027	\$ Change	% Change
Operating Budget								
General Fund ⁽¹⁾⁽³⁾	\$524.6	\$548.3	\$564.4	\$16.1	2.9%	\$570.5	\$6.1	1.1%
Restricted Funds ⁽²⁾⁽⁴⁾	\$763.2	\$762.1	\$718.1	-\$44.0	-5.8%	\$735.9	\$17.8	2.5%
Grand Total	\$1,287.8	\$1,310.4	\$1,282.5	-\$27.9	-2.1%	\$1,306.4	\$23.9	1.9%

⁽¹⁾ The Approved FY 2024 and Approved FY 2025 General Fund Budget Update include \$20.5 million and \$21.3 million respectively in Health Department funding that is transferred out to the Cincinnati Health District Fund. Additionally, the Approved FY 2024 General Fund Budget does not include \$4.4 million in transfers out for debt service and to other funds. It also does not include \$2.1 million in transfers out to the balance sheet reserve account for Financial Freedom Initiatives and \$100,000 in transfers out to the General Capital Budget for lighting on the Wasson Way Trail. The Approved FY 2025 General Fund Budget Update does not include a net \$16.7 million in transfers out to the General Capital Budget or \$5.1 million in transfers out for debt service and to other funds.

⁽²⁾ The Approved FY 2024 and Approved FY 2025 Restricted Funds Budget Update do not include \$20.5 million and \$21.3 million respectively in Health Department funding that is transferred out to the Cincinnati Health District Fund.

⁽³⁾ The Recommended FY 2026 and FY 2027 General Fund Budget amounts 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. Additionally, the Recommended FY 2026 and FY 2027 General Fund Budget amounts do not include \$5.0 million and \$5.1 million in transfers out for debt service and to other funds.

⁽⁴⁾ The Recommended FY 2026 and FY 2027 Restricted Funds Budget amounts 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.

Balancing the FY 2026 General Fund Budget

- 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 \$18 million to \$30 million.
- For FY 2026, the continuation budget deficit was estimated at \$15.9 million at the time of the TTB.
- Material changes occurred since the TTB in December 2024 which resulted in an updated deficit amount of \$10.2 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 (EBR): To make more informed resource allocations decisions based on performance data.

Balancing the FY 2026 General Fund Budget

Revenue Increases (\$13.3 million):

- \$10.6 million of increased Interest Revenue due to higher reinvestment rates and more actively managed cash.
- \$1.7 million of Revenue and Source Adjustments (including Admission Tax, Short Term Rental Excise Tax, increased building and permit fees) due to adjustments based on current year trends and a rigorous Administration review of revenue enhancement opportunities through Performance Based Budgeting (PBB).
- \$0.5 million of increased Commercial Solid Waste Hauler Fee Revenue based on waste generation, increased number of franchises, and increased enforcement of existing rules.
- \$0.5 million of increased City Income Tax Revenue

Balancing the FY 2026 General Fund Budget

Expenditure Reductions (\$10.3 million):

- \$5.7 million: Position Vacancy Savings
- \$2.1 million: Non-Personnel Reductions
- \$1.2 million: Reduction of Fire Overtime
- \$0.8 million: Position Reductions / Eliminations, Increased Reimbursements, and Transfers to Other Funds
- \$0.3 million: Reduction of Funding to External Organizations
- \$0.1 million: Mayor, Clerk, and Council Reductions

Balancing the FY 2026 General Fund Budget

Expenditure Increases (\$5.3 million):

- \$1.5 million: Staffing Net of Reimbursements – Increased staffing for the expansion of the Vacant Building Registration Program and for the continuation of the Building Inspector Training Academy in the Department of Buildings and Inspections; resources for an Understudy Program for the Cincinnati Police Department to improve recruitment and retention of cadets; resources for the Private Parking Lot and Garage Licensing Program staffing; various administrative and analytical support staff in other departments.
- \$1.1 million: DPS Increases – Including increased staffing for leadership, management, and training, investments in technology to improve winter operations, and resources for preventative maintenance pavement repair.
- \$0.9 million: Recruit Class Adjustments – Resources for a 50-member Fire Recruit Class to begin in October 2025 as opposed to January 2026.

Balancing the FY 2026 General Fund Budget

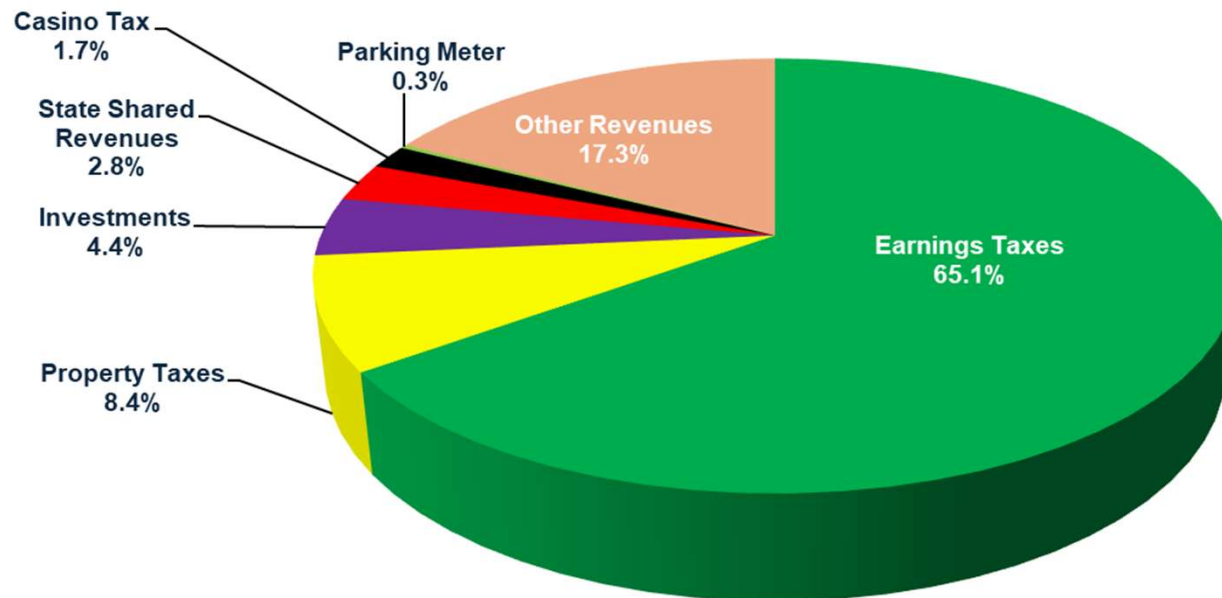
Expenditure Increases (continued):

- \$0.7 million: Ongoing Exceptions – Including resources for a Collaborative Agreement Sustainability Consultant, increased insurance premiums, Cincinnati Police Department towing for weekend nights and special events, the expansion of the Cincinnati Recreation Commission's Rec @ Nite program, and Department of Human Resources mediation services for labor negotiations and grievances.
- \$0.6 million: One-Time Exceptions – Including resources for a refresh of the Black Lives Matter Mural, the Safe and Clean program, climate assessments, and executive training.
- \$0.5 million: Increase to the Lump Sum Payments Account

OPERATING BUDGET

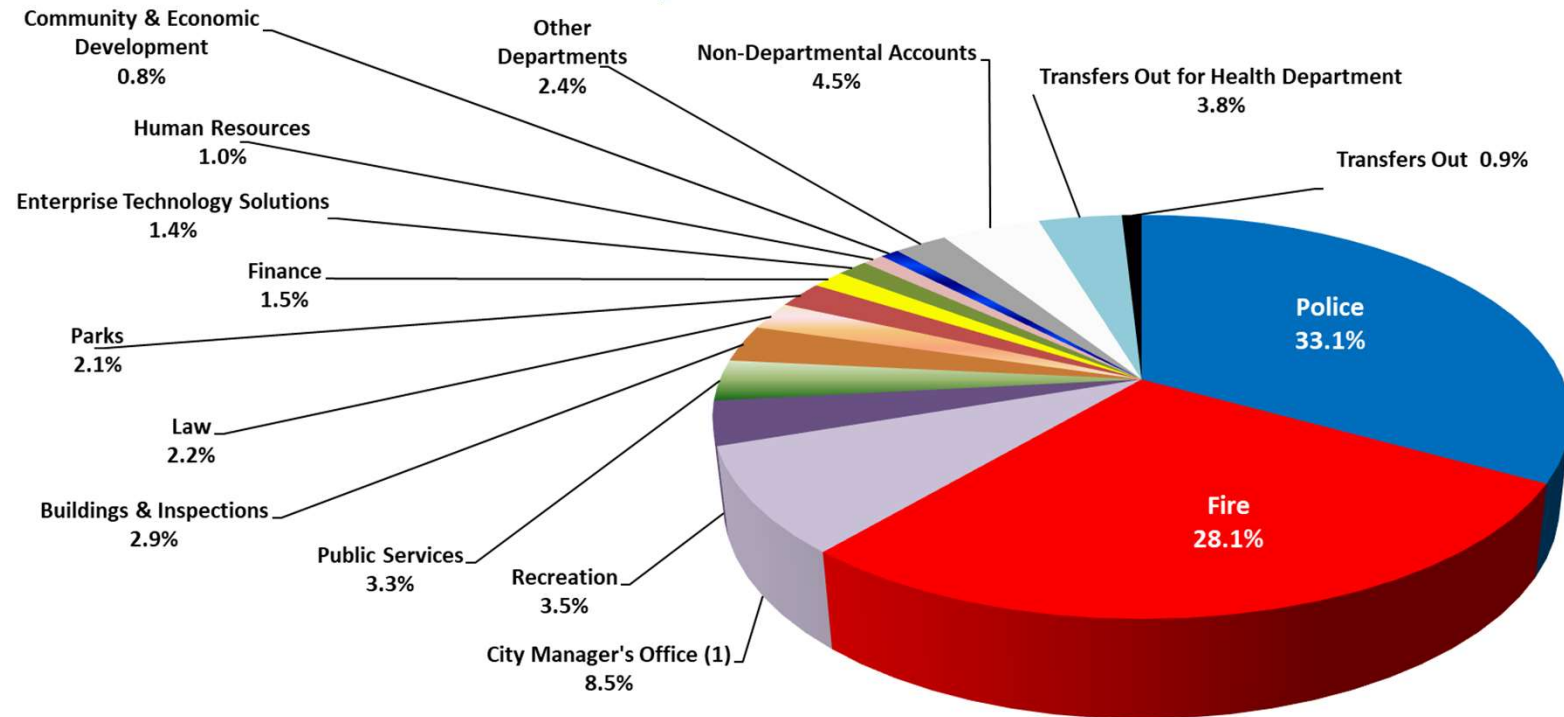
FY 2026 General Fund Revenue

\$569.5 million



OPERATING BUDGET

General Fund Expenditures – \$569.5 million

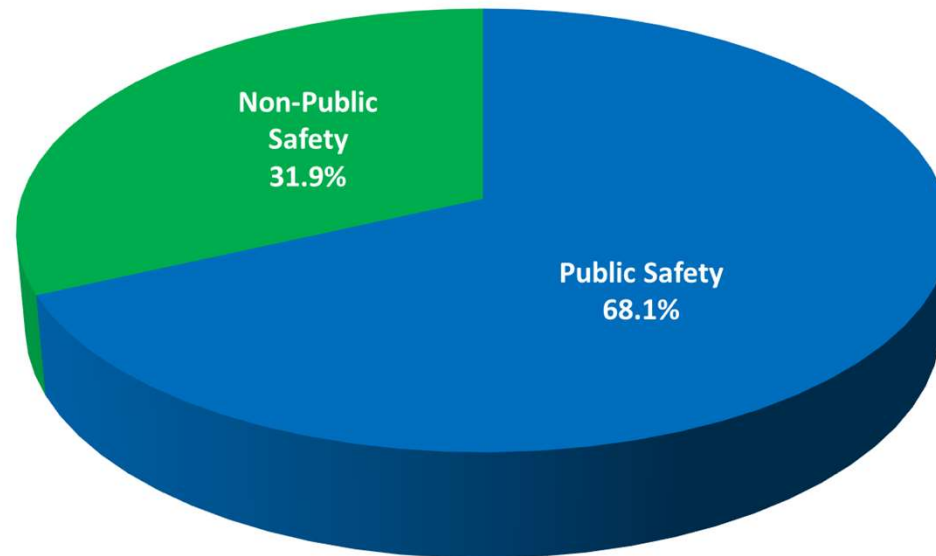


*Other Departments include Transportation and Engineering, City Council, City Planning & Engagement, Economic Inclusion, Citizen Complaint Authority, Office of the Mayor, and Clerk of Council.
 (1) CMO includes the Emergency Communications Center

OPERATING BUDGET

General Fund Expenditures*

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

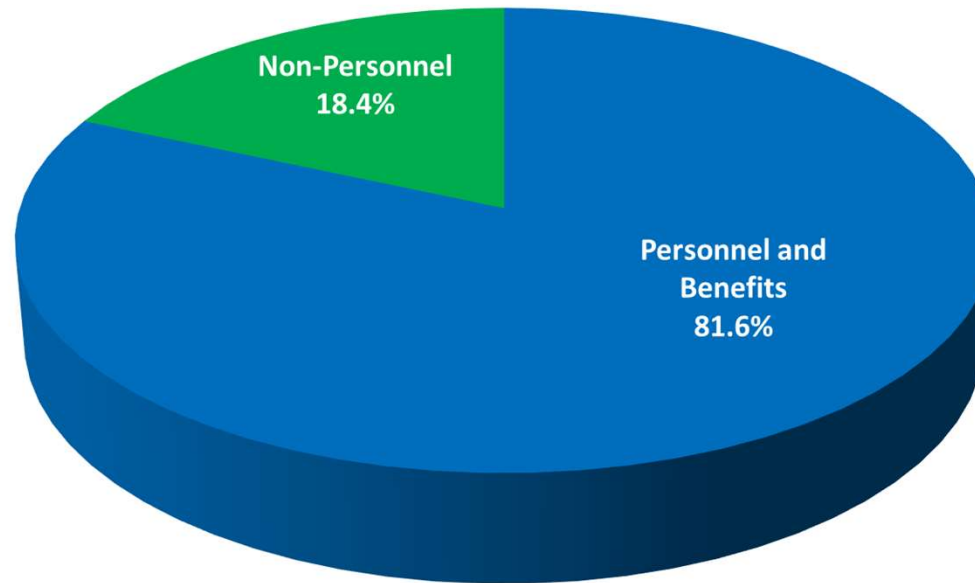


*The Transfer Out for the Health Department is reflected here based on the budgeted expenses for the Health Department within these categories. Non-Departmental Accounts are not included.

OPERATING BUDGET

General Fund Expenditures*

Where does the money go?
Personnel and Non-Personnel

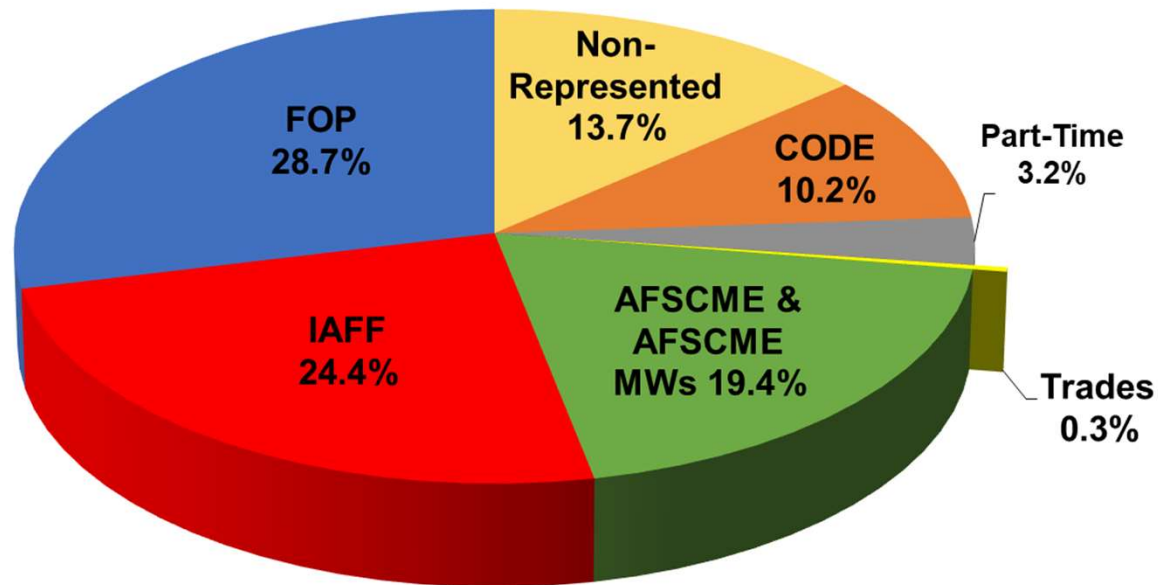


*The Transfer Out for the Health Department is reflected here based on the budgeted expenses for the Health Department within these categories

OPERATING BUDGET

General Fund Staffing*

Personnel expenses represent 81.6% of the General Fund Budget with 83.0% of employees represented by labor contracts.



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

OPERATING BUDGET

General Fund Staffing:

Public Safety

- Cincinnati Police Department Recruit Classes:
 - 50 member class to start July 2025
 - 50 member class to start April 2026
 - 50 member class to start February 2027
- Cincinnati Fire Department Recruit Classes:
 - 50 member class to start October 2025
 - 50 member class to start October 2026
- Resources for CPD Understudy Program to allow graduated Police Cadets to maintain positions until they are eligible for a recruit class.

OPERATING BUDGET

General Fund Staffing: Fire

Fire Sworn FTE Estimates

Sworn FTE	July 2025	July 2026 (100 Fire Recruits Graduate)	June 2027 (50 Fire Recruits Graduate)
FIRE	847	901	898

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 123, Fire will be over their budgeted sworn strength of 859 FTEs.
- Class size and timing was carefully designed based on projected employee attrition and to balance overtime needs.
- Budgeted overtime for Fire in FY 2026 is \$6,550,110.

OPERATING BUDGET

General Fund Staffing: Police

Police Sworn FTE Estimates

Sworn FTE	July 2025	July 2026 (50 Police Recruits Graduate)	June 2027 (50 Police Recruits Graduate)
POLICE	945	925	912

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

- Even with two 50-person recruit classes, it is projected that CPD will continue to be below their budgeted sworn strength of 1,059 FTEs.
- This is 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 2026 and retain existing officers.
- Budgeted overtime for CPD in FY 2026 is \$10,127,720.

OPERATING BUDGET

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 be managed by the Human Services Advisory Board beginning in FY 2026: 1) Homelessness and Eviction Prevention, 2) Human Services and Violence Prevention, and 3) Workforce Programming and Poverty Reduction.

OPERATING BUDGET

General Fund Expenditure Highlights: Leveraged Support

- The City Manager's Recommended FY 2025 Budget Update included \$4.0 million for leveraged support.
- A 2% reduction (\$80,000) is applied to leveraged support to balance the FY 2026 Budget.
- \$1,004,500 is shifted to the Human Services Advisory Board for allocation in FY 2026.
- \$1,274,000 is shifted to City Operations Programmatic Support in FY 2026.
- The remaining \$1,641,500 was then allocated between the remaining four categories of leveraged support: Arts, Economic Development and Neighborhood Support, Environment, and Equity and Inclusion.

OPERATING BUDGET

General Fund Expenditure Highlights: Leveraged Support

- Application portal opened on February 17, 2025 and closed on March 26, 2025. The City received applications from 76 organizations. Recommendations for \$1,641,500 in leveraged support to 22 organizations are outlined below:

Leveraged Support	City Manager Recommended FY 2026 Budget
Arts	
Black Art Speaks	\$65,000
Q-Kidz Dance Team	\$65,000
The Children's Theatre of Cincinnati, Inc.	\$65,635
Total Arts	\$195,635
Economic Development and Neighborhood Support	
CincyTech	\$75,000
Cintrifuse	\$75,000
Ebony J Media	\$10,000
Greater Cincinnati and Northern Kentucky African American Chamber of Commerce	\$300,000
Greater Cincinnati Microenterprise Initiative Inc.	\$75,000
Main Street Ventures	\$88,000
MORTAR Cincinnati	\$50,000
Total Economic Development and Neighborhood Support	\$673,000

OPERATING BUDGET

General Fund Expenditure Highlights: Leveraged Support

Leveraged Support	City Manager Recommended FY 2026 Budget
Environment	
Green Umbrella	\$64,000
Keep Cincinnati Beautiful (KCB)	\$100,000
La Soupe	\$50,000
Last Mile Food Rescue	\$50,000
Total Environment	\$264,000
Equity and Inclusion	
Activities Beyond the Classroom	\$100,000
Asian American Cultural Association of Cincinnati (dba Asianati)	\$50,000
Breakthrough Cincinnati	\$58,865
Clovermook Center for the Blind & Visually Impaired	\$50,000
Hispanic Chamber Cincinnati USA (HCCUSA)	\$50,000
Holloman Center for Social Justice (Operated by Urban League of Greater Southwestern Ohio)	\$75,000
Joy Outdoor Education Center (dba Camp Joy)	\$75,000
YWCA Greater Cincinnati	\$50,000
Total Equity and Inclusion	\$508,865
Grand Total	\$1,641,500

OPERATING BUDGET

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 over \$8.5 million.
- An additional \$1,004,500 in leveraged support is shifted to the Human Services Advisory Board for allocation.
- The Recommended FY 2026 Budget includes \$413,000 for Other Competitive Grant Programs as outlined in the following table.

OPERATING BUDGET

General Fund Expenditure Highlights: Competitive Grant Programs

Funding for Competitive Grant Programs	City Manager Recommended FY 2026 Budget
Human Services Funding	
City Human Services Fund (administered by United Way)	\$8,550,700
Additional Funding Managed by Human Services Advisory Board*	\$1,004,500
Total Human Services Funding	\$9,555,200
Other Competitive Grant Programs	
Boots on the Ground Fund Program	\$147,000
Community Urban Agriculture	\$19,600
Green Cincinnati Fund ¹	\$100,000
Safe and Clean ²	\$147,000
Total Other Competitive Grant Programs	\$413,600
Grand Total	\$9,968,800

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

¹ Funding for the Green Cincinnati Fund started in FY 2022 and will continue for a period of five years. See Ordinance No. 0010-2022 and Ordinance 0072-2022.

² Denotes full or partial one-time funding.

OPERATING BUDGET

General Fund Expenditure Highlights: City Operations and Programmatic Support

- The Recommended FY 2026 Budget includes \$5,684,880 for City Operations and Programmatic Support as outlined below.

City Operations Programmatic Support and Recipients	City Manager Recommended FY 2026 Budget
3CDC (For Fountain Square)	\$100,000
3CDC (Operating Support for Washington Park and Ziegler Park) ¹	\$250,000
3CDC - GeneroCity*	\$73,500
Career Pathways Initiative (CPI) (formerly Summer Youth Jobs Initiative - HR Portion)	\$1,161,670
Center for Closing the Health Gap*	\$490,000
Findlay Market Operating Budget Support	\$366,610
Greater Cincinnati and Northern Kentucky Film Commission (dba Film Commission)*	\$49,000
Keep Cincinnati Beautiful	\$196,000
Needle Exchange Program	\$147,000
Neighborhood Business Districts	\$117,600
Neighborhood Support Program / Community Councils	\$539,000
REDI Cincinnati*	\$245,000
Shelterhouse Volunteer Group*	\$318,500
Summer Youth Jobs Initiative - CRC Portion	\$245,000
The Port (formerly Greater Cincinnati Redevelopment Authority/Port Authority of Greater Cincinnati)	\$700,000
Urban League of Greater Southwestern Ohio*	\$98,000
WarmUp Cincy	\$343,000
Women Helping Women Domestic Violence Enhanced Response Team (WHW DVERT)	\$245,000
Grand Total	\$5,684,880

¹ 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.

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

OPERATING BUDGET

General Fund Expenditure Highlights:

Fiscal Sustainability

- Recommended FY 2026 Budget includes a 18.5% 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 2025 rate was 17.75%.
- Health care premiums increasing by 5.0% for Calendar Year 2026
- Increases in energy and energy capacity costs

OPERATING BUDGET

General Fund Expenditure Highlights:

- Public Services – Adds four new positions at the leadership level (a second Deputy Director, a Chief of Staff, a Training Supervisor, and a Public Safety Facilities Manager), a dedicated Office of Performance and Data Analytics analyst assigned to DPS, approximately \$200k for training resources, \$100k for technology improvements, and \$500k for pavement preventative maintenance.
- Buildings & Inspections – Continuation of the Building Inspector Training Academy with a 15-member Cohort 3 to start in April 2026 and 7.0 FTEs added for the Vacant Building Registration Program.

OPERATING BUDGET

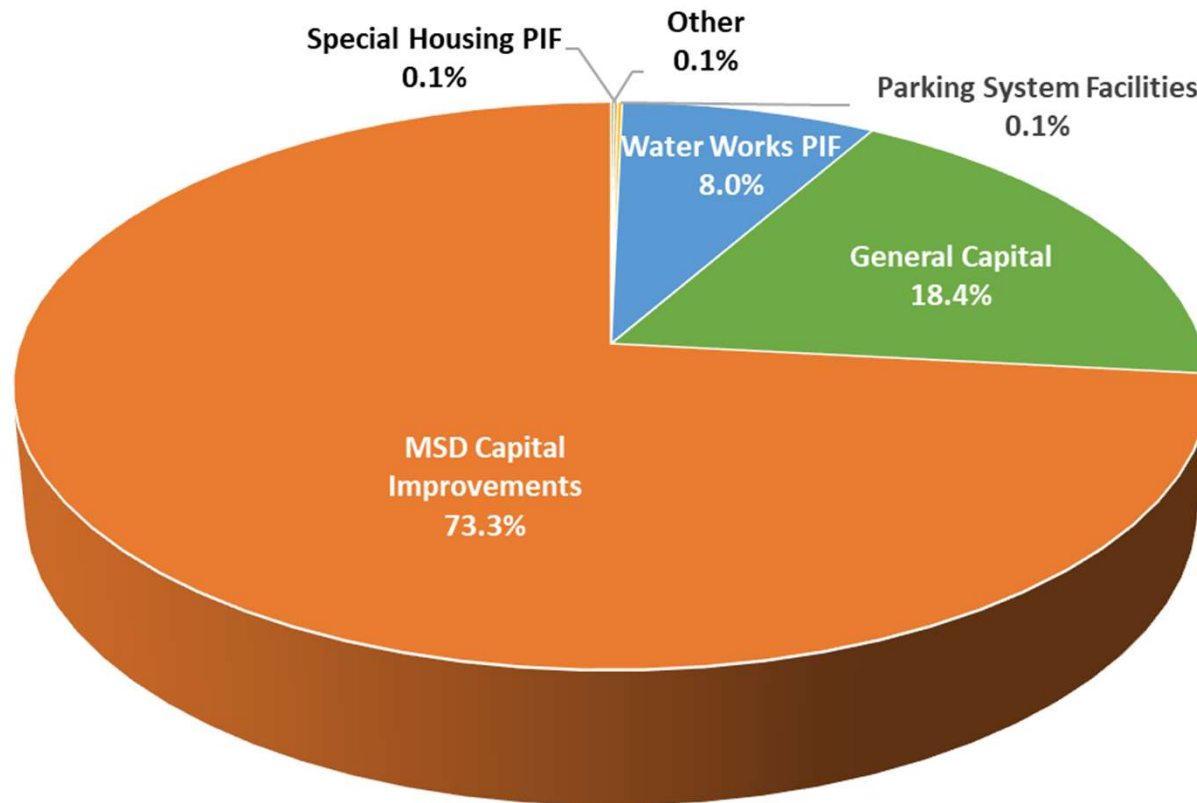
Restricted Funds

Major Changes Impacting Restricted Funds:

- Convention Center Fund – The Recommended FY 2026 Budget reflects the re-opening of the Convention Center for renovations during FY 2026. Both revenue and expenditures are impacted.
- Municipal Motor Vehicle License Tax Fund – An additional \$250k for pavement preventative maintenance.
- Income Tax-Infrastructure Fund – Reductions were taken to stabilize fund balance as expenditures continue to outpace revenues.
- Water Works Fund – Significant staffing expansion to accelerate lead service line replacements, enhance operational reliability, and reduce dependence on external contractors.

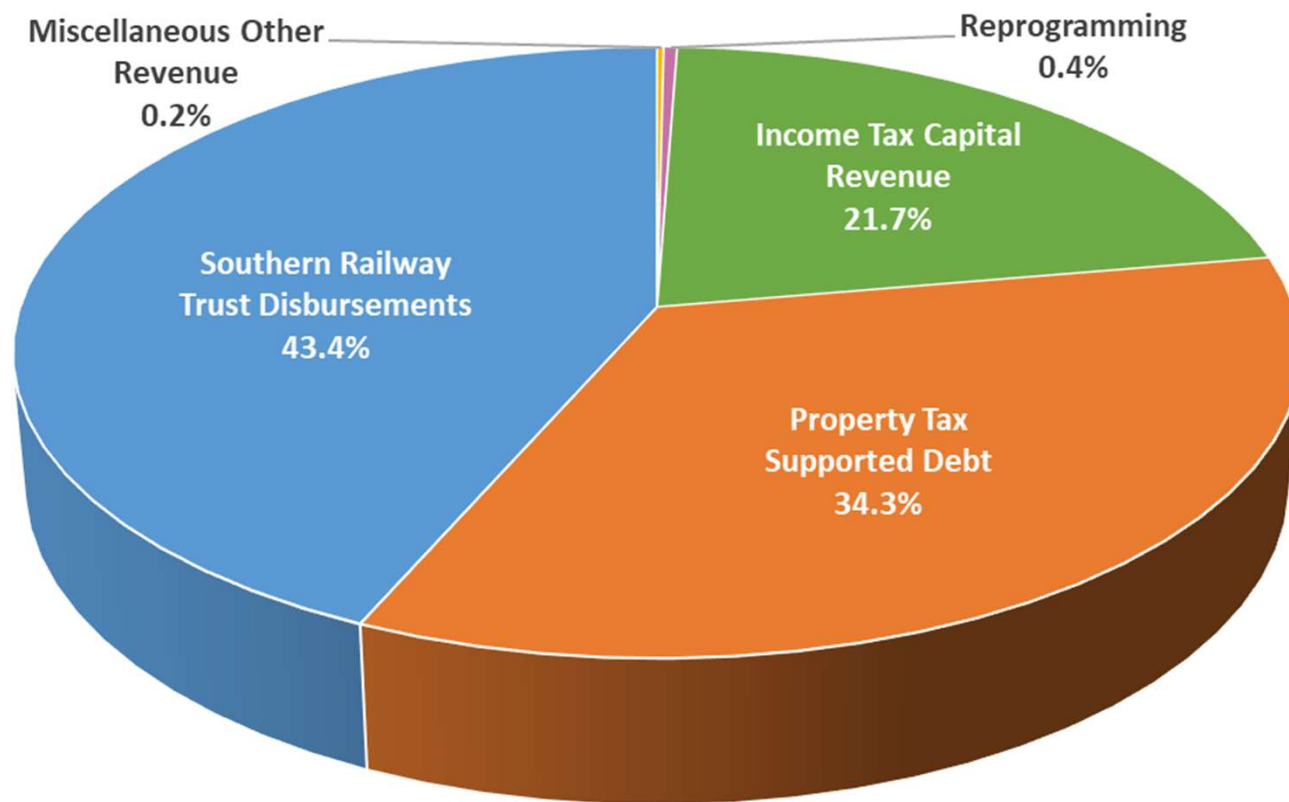
Capital Budget

Recommended FY 2026 All Funds Capital Budget

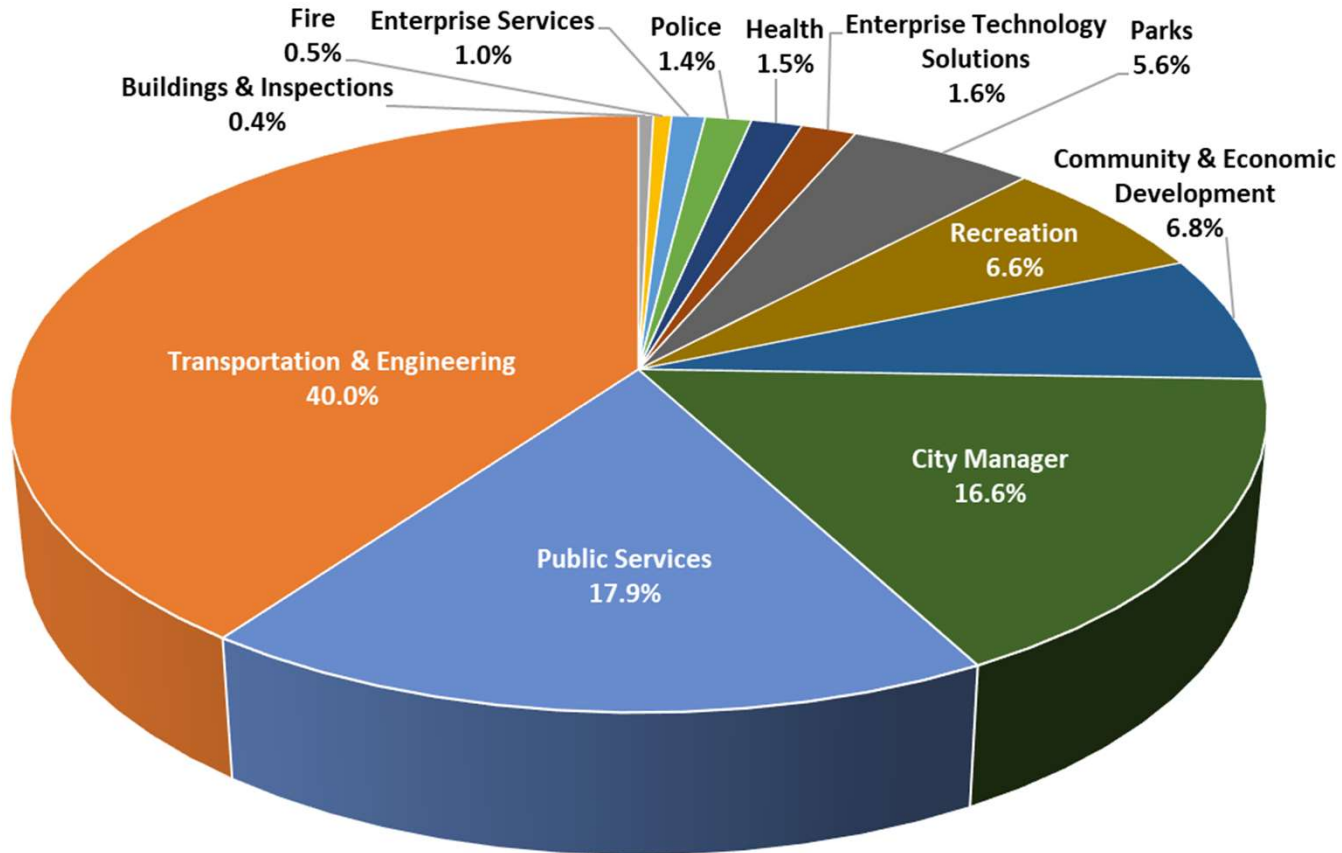


"Other" includes the following funds: Telecommunications Services, Stormwater Management, and Convention Center. Individually, each of these funds consist of less than 0.05% of the FY 2026 All Funds Capital Budget. This chart does not include Grant Funds.

General Capital Resources – \$129.0 million



General Capital Expenditures – \$129.0 million



General Capital Budget Highlights

- **Street Rehabilitation - \$20.4 million:** This is a 57.1% increase and will result in an estimated 30.5 lane miles of rehabilitation and provide for an estimated 18.5 lane miles of preventative maintenance.
- **Strategic Property Investments for Health (\$11.5 million) and Human Services (\$5.5 million):** To acquire properties to advance the Health Department's facilities plan and to deliver human services.
- **Fleet Replacements - \$10.6 million:** For the six-year Capital Improvement Plan (CIP), Fleet Replacements will receive no less than \$13.3 million from FY 2027 to FY 2031.
- **Community Budget Requests - \$2.5 million:** Will fund 47 projects from 31 neighborhoods.
- **Dunham Recreation Center Facilities Renovation - \$2.4 million:** Funding to begin planning and design for the renovation.
- **Affordable Housing Trust Funding – Capital - \$2.1 million:** This \$200,000 increase is based on projected revenue growth generated by the Short-Term Rental Excise Tax.

General Capital Budget Highlights (continued)

- **Neighborhood Business District Improvements (NBDIP) - \$2.0 million:** Base funding continues in FY 2026.
- **PIVOT Strategic Acquisition and Improvement - \$2.0 million:** Will allow for site acquisition to address blight and public safety and promote community development.
- **Victory Parkway Complete Street - \$2.0 million:** This will continue to leverage grant funding for converting a portion of Victory Parkway to a complete street.
- **Green Cincinnati Sustainability Initiatives - \$1.0 million:** While advancing the goals of the City's Green Cincinnati Plan, this funding may also leverage investment credits (paid back to the City's Revolving Energy Loan Fund) for vehicles, equipment, and infrastructure related to alternative sources of energy generation, storage, and use.
- **Quick Strike Acquisition - \$1.0 million:** Funding continues in FY 2026.

Recommended FY 2026 Capital Budget: Cincy on Track

- The Recommended FY 2026 Capital Budget includes \$56.0 million in Cincinnati Southern Railway (CSR) Infrastructure Trust disbursements. This is a 91% increase from FY 2025. Funding from this source can only be used on existing City infrastructure projects.
- The Recommended FY 2026 CSR Infrastructure Trust disbursement allocation by department is:
 - Transportation & Engineering \$34.8 million
 - Recreation 7.6 million
 - Parks 7.2 million
 - Public Services 6.4 million

Total: \$56.0 million
- Each department will be presenting separately on their planned use of Cincy on Track funding.
- The Health Department is being provided with other capital resources for their facility needs, outside of the Cincy on Track investments.

Questions?