

Department of Finance Budget Presentation

**Budget & Finance Committee
April 4, 2023**

Agenda

- Mission and Primary Services of Department
- Service Delivery Challenges
- Key Performance Indicator (KPI) Review – FY24 Goals

Mission Statement and Services

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.

Four Divisions: Accounts and Audits, Income Tax, Risk Management, and Treasury.

Primary Services:

- provide and monitor revenue estimates
- collect revenue and manage cash receipts
- prepare monthly and annual financial reports
- manage city investments
- administer various licensing programs
- process disbursements to vendors
- administer city-wide payroll functions
- manage employee benefits and employee safety
- administer the city's debt program
- process city income tax and other city tax returns.

Budget and FTE History

Finance - General Fund	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personnel Compensation	4,580,460	4,753,500	4,546,490	4,335,700	4,543,680
Fringe Benefits	1,569,300	1,598,970	1,428,700	1,500,300	1,528,860
Non-Personnel Expenses	1,014,980	966,200	1,002,275	1,367,800	1,278,310
Total	7,164,740	7,318,670	6,977,465	7,203,800	7,350,850

Finance - Restricted Funds	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Bond Retirement Fund	125,166,200	129,215,090	147,505,719	184,199,480	129,455,840
Income Tax-Infrastructure Fund	392,780	376,610	396,440	231,370	146,800
Other Restricted Funds	5,330,260	4,656,930	6,905,970	5,658,020	5,897,000
Total Restricted Funds	130,889,240	134,248,630	154,808,129	190,088,870	135,499,640

Finance - FTEs	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
General Fund	75.81	75.80	78.00	59.00	59.00
Restricted Funds	28.75	31.70	38.70	32.70	32.96
Total	104.56	107.50	116.70	91.70	91.96

Service Delivery Challenges

- Maintaining proper accounting checks and balances with current staff levels and high staff turnover/vacancy trends.
- Estimating revenues during a time of transition due to the shift in work and life patterns since the COVID-19 pandemic.
- Upgrades to technology are needed to provide efficiencies in service delivery.

KPI Review: Tax Refunds



EXCELLENT & EQUITABLE
SERVICE DELIVERY

FY 24 Goal: 95% of tax refunds are made within 90 days of receipt of completed paperwork

- Additional Context for KPI:
 - Prior year goal is the same as above.
 - Interest must be paid if the refund is not issued within 90 days.
 - Calculation: Number of refunds paid within 90 days of receipt of completed paperwork divided by number of completed refund requests received.
 - The number of refund requests has significantly increased as result of the increased number or remote workers.

KPI Review: Vendor Payments



EXCELLENT & EQUITABLE
SERVICE DELIVERY

FY 24 Goal: 90% of vendor payments are made within seven days of a department entering the payment

- Additional Context for KPI:
 - Prior year goal is the same as above.
 - Ordinance #297-2002 requires prompt payment (within 30 days) to all contractors.
 - Calculation: Number of vendor payments made within seven days of department entering the payment divided by the number of vendor payments made once the department enters the payment.
 - High staff turnover and vacancies has made it very difficult to meet this KPI.

KPI Review: Investment Rates of Return

FY 24 Goal: Obtain a rate of return equaling or exceeding a weighted benchmark comprised of:

- 80% - Barclay's Capital 1 to 5 Year Treasury Index
- 20% - three-month average yield of STAR Ohio

- Additional Context for KPI:
 - Prior year goal is the same as above.
 - Benchmarks: Treasury Index and STAR Ohio rates.
 - Measured by weighted average return.
 - Goals have been achieved for the past few years.



EXCELLENT & EQUITABLE
SERVICE DELIVERY

Questions?