

**April 6, 2022**

**To:** Mayor and Members of City Council 202200886

**From:** John P. Curp, Interim City Manager

**Subject:** **Finance and Budget Monitoring Report for the Period Ending January 31, 2022**

---

The purpose of this report is to provide the City Council with the status of the City's Fiscal Year (FY) 2022 financial and operating budget conditions as of January 31, 2022, to note any significant variances, identify potential budget issues, and provide recommendations. The report is divided in two sections: revenues and expenditures. Various supplemental reports are attached to reflect forecasted revenue, actual revenue, expenditures, and commitments through January 31, 2022.

The following Citywide issues may impact the General Fund 050, Special Revenue Funds, and Enterprise Funds.

1. General Fund revenues are greater than projected by \$17.9 million through the end of January. However, this report highlights increased potential expenditure needs in the amount of \$14.9 million.
2. Cincinnati Fire Department attrition through January 2022 was four times higher than expected, which necessitated the use of overtime to backfill sworn positions. Additionally, Fire overtime usage has been further exacerbated by the use of sick leave as a result of the COVID-19 pandemic. The additional overtime need for Fire is currently projected at up to \$10.0 million. However, the rapid spread of COVID-19 and scheduled holiday leave necessitated the Mayor's Declaration of Emergency Regarding Staffing Levels for the Cincinnati Fire Department on December 29, 2021. The Declaration lasts 60 days and authorizes the City Manager to take necessary actions to ensure staffing of City fire stations. This may result in an additional overtime need beyond the \$10.0 million projected for the January 31, 2022 reporting period.
3. Due to the unanticipated separation of several long-time sworn public safety employees, combined with actual attrition outpacing projections, Police and Fire lump sum payments have already exceeded budgeted amounts and will require an additional appropriation. Police's additional lump sum payment

needs are currently estimated at \$2.6 million for FY 2022. Fire's additional lump sum payment needs are currently estimated at \$1.0 million for FY 2022.

4. The Approved FY 2022 Budget included a 2.0% cost of living adjustment (COLA) for non-sworn employees (i.e., Non-Represented, American Federation of State, County and Municipal Employees (AFSCME), American Federation of State, County and Municipal Employees Municipal Workers (AFSCME MWs), Buildings Trades, Teamsters, and Cincinnati Organized and Dedicated Employees (CODE)). A new AFSCME labor agreement was passed by the City Council on November 10, 2021, through Ordinance No. 0430-2021. Lastly, the collective bargaining agreement with CODE will expire during FY 2022. Negotiations on an updated agreement have commenced with CODE at this time. Any agreements that exceed budgeted COLA amounts and provide additional wage item increases may result in a budget deficit for departments. If necessary, a supplemental appropriation may be required.
5. The new AFSCME labor agreement through a Letter of Agreement (LOA) included a one-time premium, also called hazard, payment in the amount of \$1,000 per employee to be paid in December 2021. Some of the payments to employees are eligible for reimbursement under the American Rescue Plan (ARP) Act based on guidance from the United States Department of the Treasury. The non-reimbursable payments may result in a personnel shortfall and may require a supplemental appropriation for certain departments. Eligible non-AFSCME employees also received a one-time hazard payment per Ordinance No. 0453-2021, but these expenses will be fully reimbursed from ARP funds and will not result in a personnel shortfall. Reimbursements to a majority of departments for ARP Act eligible Hazard Pay will be processed in February 2022. The utilities are continuing to work through catch-up payments and appeals, so the reimbursements are not expected to be fully processed for the Greater Cincinnati Water Works or the Stormwater Management Utility in February. No reimbursements will be processed for the Metropolitan Sewer District in February. The final reimbursements to these departments will be processed as part of the Final Adjustment Ordinance.
6. Due to the surge in community spread of the COVID-19 Omicron variant starting in December 2021, Cincinnati Health Department expenses have increased. Additional resources will likely be required for COVID-19 testing and overtime. American Rescue Plan Act reimbursements and Federal Emergency Management Agency (FEMA) reimbursements will be pursued for eligible COVID-19 related expenses. These needs will be monitored closely and will be reflected in future budget monitoring periods.
7. Community Health Center Activities Fund 395 revenues continue to be negatively impacted by COVID-19. Healthcare workers remain in high

demand, which has resulted in a staffing shortage in nurses and medical assistants working in health centers. These staffing issues have impacted appointment availability and related revenue. The Cincinnati Health Department is continuing the hiring of temporary staff to alleviate staffing needs until the department can fill the permanent position vacancies. Revenue trends will continue to be closely monitored. American Rescue Plan Act reimbursements and Federal Emergency Management Agency (FEMA) reimbursements are being pursued for eligible COVID-19 related expenses.

8. Parking meter usage has not fully returned to pre-pandemic levels, which has negatively impacted revenue in Parking Meter Fund 303. However, many contractual service expenditures are based on revenue, so less revenue results in lower expenses in some cases. This will partially offset the reduction in revenue. The fund will be monitored closely to ensure expenditures do not outpace revenues.
9. The COVID-19 pandemic continues to impact supply chains and the costs of various goods and services. Departments report several areas of concern, including energy costs, water treatment chemical costs, vehicle repair and maintenance costs, and the supply of new vehicles. Trends in the energy sector show an increase in costs for natural gas, petroleum, etc. Water treatment chemical costs have also increased as supply is impacted by transportation logistics issues. Supply chain issues have also resulted in the shortage of vehicle parts and semiconductor chips. Fleet repairs are becoming more difficult and more expensive in certain cases. The acquisition of new vehicles has also been affected by these issues. Fleet Services anticipates that new vehicles will be significantly delayed which may result in an operating budget need for vehicle leases until new vehicles become available and increased repair costs as older vehicles will remain in service for a longer than anticipated period of time. The supply chain issues are not expected to subside until at least the summer of 2022. These issues will be monitored closely for budgetary and operational impacts.
10. As noted above, the Greater Cincinnati Water Works has experienced unexpected increases in utility costs and water treatment costs as a result of COVID-19 pandemic related supply chain issues. These unanticipated costs, along with an emergency watermain break at Lick Run, have resulted in an estimated non-personnel need of \$2.5 million. A mid-year budget adjustment ordinance will likely be required to address these needs.

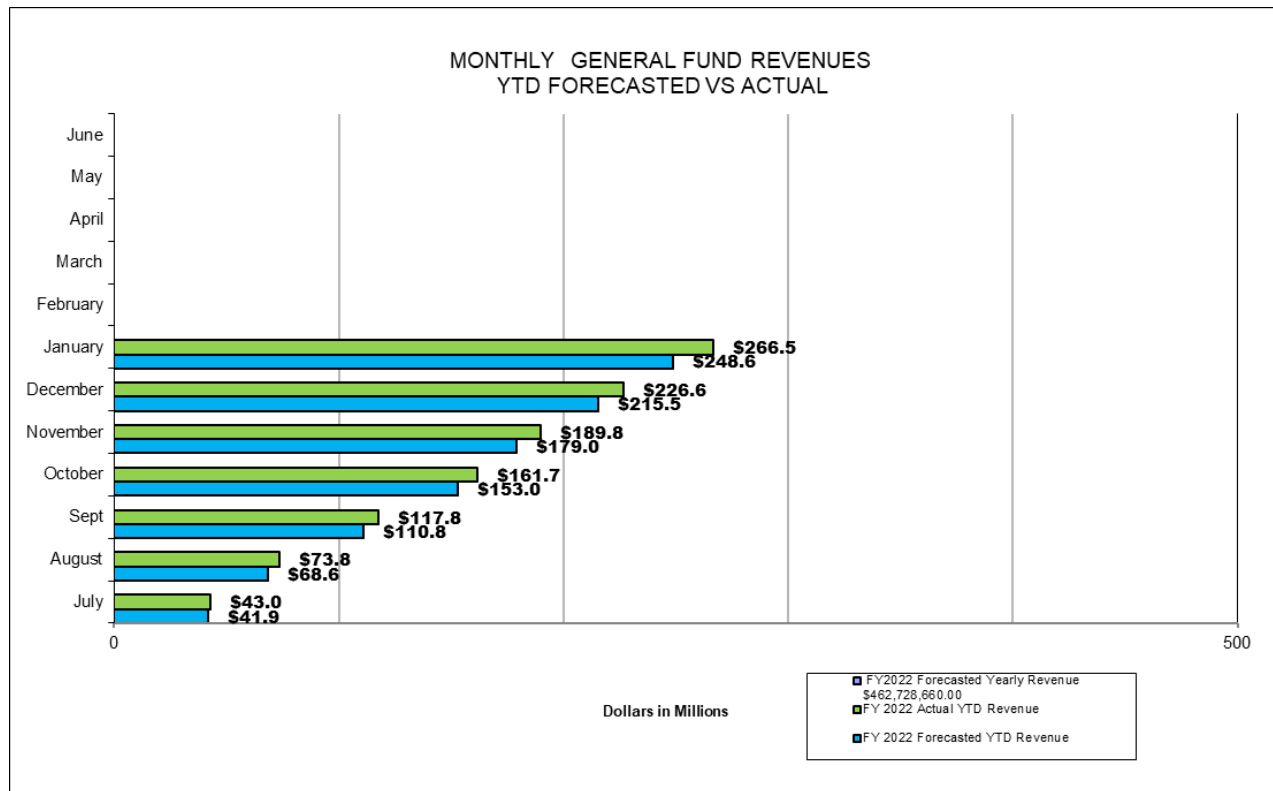
# REVENUE

The information below provides an update on the City of Cincinnati’s financial condition as it relates to revenue projections as of the month ending January 31, 2022. Variances are based on current year estimates and prior year activity in attached schedules.

A more detailed explanation of revenues is attached for review, including reports comparing current year actual revenue versus forecasted revenue and prior year actual revenue versus current year actual revenue. Both of those reports are presented on a monthly and year to date basis.

## I. GENERAL FUND 050

The chart below portrays the performance of actual revenue collected against the forecasted revenue collected through January 31, 2022 and shows that actual revenue of \$266.5 million was above forecasted revenue of \$248.6 million by \$17.9 million.



The major revenue components of the General Fund are listed in the table below. This table highlights the year to date variance (favorable and unfavorable) in General Fund revenue collections as compared to forecasted revenue collections. Each major

category that differs significantly from forecasted collections will be discussed in further detail.

<b>GENERAL FUND REVENUE SOURCES</b>		
	<b>FAVORABLE VARIANCE</b>	<b>(UNFAVORABLE) VARIANCE</b>
General Property Tax	1,860,461	
City Income Tax	9,772,982	
Admissions Tax	2,057,288	
Short Term Rental Excise Tax	376,693	
Licenses & Permits	1,608,519	
Fines, Forfeitures, & Penalties	24,284	
Investment Income	561,507	
Local Government	1,791,663	
Casino	1,477,752	
Police		(\$310,849)
Buildings and Inspections	186,921	
Fire	380,631	
Parking Meter	350	
Other		(\$1,871,452)
	20,099,049	(\$2,182,301)
Difference	17,916,749	

**General Fund (favorable variance) is \$17.9 million** above the amount forecasted through January in the FY 2022 Budget. What follows is an explanation of significant variances of individual General Fund revenue components.

- 1. General Property Tax (favorable variance) is up \$1.9 million.** Revenue is currently greater than projected as a result of higher assessed property values utilized by the County Auditor. However, since the millage rate is lower starting in CY 2022, property tax revenue is expected to be at or near the estimate at year end.
- 2. Income Tax (favorable variance) is \$9.8 million** above the forecasted amount. The amount of withholding refunds due in the spring of CY 2022 are still unknown, which could affect the variance. Administration is still watching income tax trends very closely due to the shift to remote work.
- 3. Admissions Tax (favorable variance) is up \$2.1 million.** The FY 2022 estimates are conservative due to the unknown level of response to the ongoing

pandemic. The return of events since the pandemic and new entertainment venues have both contributed to the favorable variance.

4. **Licenses & Permits (favorable variance) is \$1.6 million above the forecasted amount.** Building permits are trending toward pre-pandemic levels along with Heating & Ventilating permits. The FY 2022 estimate was conservative due to the lingering effects of the pandemic. Administration will continue to monitor the activity.
5. **Investment Income (favorable variance) is up \$562k.** The favorable variance is due to many investments maturing in December. It is anticipated that investment income will exceed the revenue projections for the fiscal year. Investment income is recognized quarterly in September, December, March and June of each fiscal year.
6. **Local Government Fund (favorable variance) is up \$1.8 million.** The favorable variance is the result of increased revenue collection from the State of Ohio General Revenue tax sources.
7. **Casino (favorable variance) is \$1.5 million above the forecasted amount.** The casino revenue is outperforming current estimates, which have been set at pre-pandemic levels.
8. **Other (unfavorable variance) is \$1.9 million below forecast.** This category is made up of many small sources of revenue that fluctuate from time to time. Finance will continue to monitor these various revenue sources.

## II. RESTRICTED FUNDS

- A. **Municipal Golf (favorable variance) is up \$931k.** The Cincinnati Recreation Commission continues to experience an increase in the utilization of the golf courses as people are looking for outside activities during the pandemic.
- B. **Recreation Special Activities (unfavorable variance) is down \$641k.** The Cincinnati Recreation Commission is still seeing a reduction in revenue due to lower attendance of recreation center programs as a result of the lingering pandemic. Cancellations of some team sports have also occurred due to a shortage of game officials.
- C. **Hazard Abatement (unfavorable variance) is down \$635k.** Even though the foreclosure ban has been lifted, there has not been an increase in foreclosures. Therefore, the number of Vacant Foreclosure Licenses is still down. The Vacant Buildings Maintenance License revenue has not started to rebound either. A driver could be that homes are staying occupied and development plans are being

instituted. This will lead to lower revenue in this fund but there may be more revenue in the General Fund as permits for improvements increase.

Variances in other restricted funds are due mostly to timing of billing and collections. By year end they will come more in line with the estimate. Finance will continue to monitor these funds.

## **EXPENDITURES**

The following provides an update on the City of Cincinnati's operating budget position as of the month ending January 31, 2022. The attached Fund Summary Report provides the current budget, expenditures, and commitments of each appropriated fund. This report is presented on a year to date basis.

### **I. GENERAL FUND 050**

As shown on the attached report, total expenditures are 53.5% of budget, and commitments are 58.5% of budget in the General Fund 050 as compared to the estimated period ending January 31, 2022, or 58.3% of the fiscal year. "Non-personnel expenses" are trending higher at 72.6% committed year to date due to encumbering twelve months of expenditures for certain commodities such as gas and electric costs, contractual services, and materials and supplies. This is not unusual for this reporting period.

The majority of departments have indicated their FY 2022 General Fund 050 appropriation will meet their budgetary needs through the end of the fiscal year. However, budget transfers may be necessary to move funds from divisions and programs with savings to others within the respective departments that have budget needs. These transfers will be included in the Final Adjustment Ordinance (FAO), which will be presented to the City Council in May 2022.

#### **A. Budget Savings Identified**

At this time, no General Fund 050 departments are projecting a savings at the end of FY 2022. Any savings identified will be available to support budget needs in other departments and programs as necessary. Interdepartmental transfers of funds from one department to another will be included in the FAO as appropriate.

#### **B. Budget Needs Identified**

Based on current expenditure projections, the following General Fund 050 departments are forecasting a budget need in FY 2022. The departments have been

advised to manage their appropriated resources so that supplemental appropriations will not be required. However, the Administration will continue to closely monitor these budgets in the coming months and work with the respective departments to mitigate the need for supplemental appropriations. As appropriate, any remaining budget needs will be addressed in the FAO.

**1. Cincinnati Fire Department (\$11.0 million)**

Through January 31, 2022, attrition has trended four times higher than expected due to unanticipated sworn separations. Increased attrition has necessitated the use of overtime to backfill vacant positions. Additionally, the COVID-19 pandemic continues to impact sick leave usage. Sick leave pay has increased nearly 35% compared to pre-pandemic levels. This is due to COVID-19 diagnoses, exposure, and mandatory quarantine periods required while waiting for test results. COVID-19 related sick leave has been further exacerbated by the close living and working conditions of sworn staff in fire houses. The graduation of Recruit Class #118 was expected to reduce overtime usage starting in December 2021. However, the rapid spread of COVID-19 and scheduled holiday leave necessitated the Mayor's Declaration of Emergency Regarding Staffing Levels for the Cincinnati Fire Department on December 29, 2021. The Declaration lasts 60 days and authorizes the City Manager to take necessary actions to ensure staffing of City fire stations. This is expected to result in additional overtime, which will continue to be monitored. If overtime trends do not curtail, the Cincinnati Fire Department projects a need of up to \$11.0 million by fiscal year end due to higher than anticipated lump sum payments and increased overtime. These items have also impacted wage-based fringe benefit expenses. Both the department and the Office of Budget and Evaluation will continue to closely monitor staffing trends and overtime needs. Lastly, the department also indicated a potential non-personnel need related to COVID-19 related supply chain issues, which have impacted the cost of materials and supplies.

**2. Cincinnati Police Department (\$3.5 million)**

The Cincinnati Police Department (CPD) projects an overall need of approximately \$3.5 million due to a combination of personnel and non-personnel expense overages. Personnel overages are attributable to lump sum payments having exceeded expectations due to higher levels of retirements. Due to the increased vacancy rate, higher levels of overtime are expected for the remainder of the fiscal year. It is anticipated that increased position vacancy savings will partially mitigate these increased costs. Additionally, the City Council passed Ordinance No. 0466-2021 on December 8, 2021, which transferred \$700,000 within the General Fund to the Police Department for additional Police Visibility Overtime (PVO), which may further mitigate increased overtime costs. Non-personnel needs are attributable to anticipated overages related to the central warrants contract with Hamilton County. The Office of Internal Audit evaluated the current central warrants contract and associated invoice review process and



noted several opportunities for improvement. CPD has since started the process of renegotiating this contract. In the interim, CPD will continue to ensure compliance with the existing contract regarding workload volume and billing procedures. Personnel and non-personnel expenditures will be closely monitored over the next few months as the final adjustment ordinance (FAO) is developed.

**3. Non-Departmental Accounts (\$0.3 million)**

The Law Department projects a potential need of up to \$300,000 in the Non-Departmental Judgments Against the City Account for pending settlements. The timing of the settlements may also impact the potential need. The Law Department will monitor this need closely.

**4. City Manager’s Office: Office of Environment and Sustainability (\$0.1 million)**

The Office of Environment and Sustainability projects a potential budget need of \$138,000 related to recycling fees. Personnel savings in the City Manager’s Office may partially offset this need.

**C. Within Budget, Intradepartmental Budget Transfers May Be Needed**

Numerous General Fund 050 departments have indicated the ability to manage their resources within their appropriation. However, budget adjustments within their departments may be required. These transfers are referred to as Intradepartmental Budget Transfers. Unless noted otherwise, these Intradepartmental Budget Transfers will be included in the FAO, which will be presented to the City Council for approval in May 2022.

**1. Clerk of Council**

The Clerk of Council's Office projects no budget savings or need at this time.

**2. Enterprise Technology Solutions**

The Department of Enterprise Technology Solutions projects a potential personnel need depending on when vacant positions are filled. The Office of Budget and Evaluation will closely monitor personnel expenses and staffing trends over the next several months.

**3. City Manager’s Office**

The Cincinnati Initiative to Reduce Violence (CIRV) program projects a potential non-personnel need related to the Collaborative Agreement Sustainability Manager consultant expense. However, this expense will be offset by savings in personnel.

**4. City Manager’s Office: Office of Communications**

The Office of Communications projects no budget savings or need at this time.

**5. City Manager’s Office: Office of Human Relations**

The Office of Human Relations projects a \$14,000 need related to the final pension obligation payment to the United Way for Community Outreach Advocates. This is a one-time need; it is expected that this need can be offset by vacancy savings in the City Manager’s Office.

**6. City Manager’s Office: Office of Budget and Evaluation**

The Office of Budget and Evaluation does not project a savings or need at this time, pending reimbursement processing.

**7. City Manager’s Office: Emergency Communications Center (ECC)**

The Emergency Communications Center projects no budget savings or need at this time.

**8. City Manager’s Office: Office of Procurement**

The Office of Procurement projects a possible contractual services need due to the Law Department billing for collection fees, which was not budgeted. This need will be monitored.

**9. City Manager’s Office: Office of Performance and Data Analytics (OPDA)**

The Office of Performance and Data Analytics projects no budget savings or need at this time.

**10. City Manager’s Office: Internal Audit**

Internal Audit projects no budget savings or need at this time.

**11. Department of Law**

The Department of Law incurred some unplanned non-personnel expenses related to outside counsel on various cases. Council passed Ordinance No. 0466-2021 on December 8, 2021, which transferred \$35,000 within the General Fund to the Department of Law to address this need. At this time, the Department of Law projects no budget savings or need for FY 2022.

**12. Department of Human Resources**

The Department of Human Resources projects no budget savings or need at this time. However, as the HR centralization process is implemented, there may be some non-personnel needs that will need to be addressed.

**13. Department of Finance**

The Department of Finance projects no budget savings or need at this time.

**14. Department of Community and Economic Development (DCED)**

The Department of Community and Economic Development projects no budget savings or need at this time. However, transfers between agencies may be required as part of the FAO.

**15. Department of City Planning and Engagement**

The Department of City Planning and Engagement projects a potential non-personnel need due to unexpected increases in telephone, membership fees, postage, and office supplies. These needs may be offset with position vacancy savings achieved earlier in the fiscal year. The department is currently fully staffed and should be able to achieve budgeted reimbursements.

On August 4, 2021, the City Council passed Ordinance No. 0331-2021 to transfer the Zoning Administration Division from the Department of Buildings and Inspections to the Department of City Planning and Engagement. The division transfer was effective October 3, 2021. The Zoning Administration Division will physically move to City Planning and Engagement in February 2022. This may result in increased office supply usage. The General Fund resources associated with this division will be monitored closely for the remainder of FY 2022.

**16. Citizen Complaint Authority**

The Citizen Complaint Authority projects personnel savings due to unexpected position vacancies. The savings is planned to offset the cost of office renovations to accommodate new staff.

**17. Cincinnati Recreation Commission**

The Cincinnati Recreation Commission projects no budget savings or need at this time. However, internal transfers may be required as part of the FAO.

**18. Cincinnati Parks Department**

The Parks Department projects no budget savings or need at this time. However, transfers between agencies may be required as part of the FAO.

**19. Department of Buildings and Inspections**

The Department of Buildings and Inspections projects no budget savings or need at this time. The department has several reimbursements that will be processed in the coming months. Overtime has increased due to position vacancies and related hiring timelines. The department will continue to monitor overtime trends and position vacancy allowance.

**20. Department of Transportation and Engineering**

The Department of Transportation and Engineering projects no personnel budget savings or needs, pending reimbursement processing. However, transfers within the department may be required as part of the FAO.

## **21. Department of Public Services**

The Department of Public Services reports neither a need nor a savings in the General Fund. Although the department anticipates personnel savings due to position vacancies, these savings may be partially offset by increased utility costs due to stormwater rate increases. Over the previous three calendar years, stormwater rate increases have resulted in expenses outpacing budgeted resources for utility expenses at city-owned buildings. Based on current billings, utility expenses could create a budget need of approximately \$45,500. These savings and needs will be monitored closely as the fiscal year continues.

## **22. Department of Economic Inclusion**

The Department of Economic Inclusion previously projected a non-personnel need related to a prior year leveraged support obligation that required the use of the majority of their FY 2022 non-personnel appropriation. However, the department has realized position vacancy savings to partially offset this need. Council passed Ordinance No. 0466-2021 on December 8, 2021, which transferred personnel savings to non-personnel to partially address the prior year leveraged support obligation. Any remaining needs will be addressed in the FAO.

## **II. ENTERPRISE FUNDS**

Enterprise Funds account for any activity for which a fee is charged to external users for goods or services. If an activity's principal revenue source meets any one of the following criteria, it is required to be reported as an enterprise fund: (1) an activity financed with debt that is secured solely by pledge of the net revenues from fees and charges for the activity; (2) laws or regulations which require that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues; or (3) pricing policies which establish fees and charges designed to recover the activity's costs.

### **A. Water Works Fund 101**

Water Works Fund 101 is 48.3% expended year to date. The Greater Cincinnati Water Works (GCWW) projects a total need of up to \$2.5 million primarily due to higher than expected utility costs. The total need also reflects anticipated cost increases for laboratory chemicals and supplies due to COVID-19 related supply chain issues as well as unexpected costs associated with the Lick Run emergency watermain repair. A mid-year budget adjustment ordinance is required to address these needs.

### **B. Parking System Facilities Fund 102**

Parking System Facilities Fund 102 includes the budget for off-street parking enterprises (including garages). Fund 102 is currently 40.8% expended year to date. The Division of Parking Facilities within the Department of Community and Economic Development experienced an increase in rent expenses starting in

December due to the sharp rise in employee parking at the Seventh Street Garage and the Hennegan Lot. The division is responsible for covering the difference between what City employees pay and the contracted monthly rate. While the division currently projects a net savings of \$30,000 due to lower than expected contractual services expenses, they will continue to monitor rent needs related to employee parking trends.

**C. Duke Energy Convention Center Fund 103**

Duke Energy Convention Center Fund 103 is 43.1% expended year to date. The Finance Department projects an approximate need of \$32,000 in personnel for reimbursements to the City Manager's Office.

**D. General Aviation Fund 104**

General Aviation Fund 104 is 44.2% expended year to date. The Department of Transportation and Engineering may have personnel and fringe benefits savings in Fund 104 due to position vacancies, which will be monitored. Possible non-personnel savings will also be monitored closely.

**E. Municipal Golf Fund 105**

Municipal Golf Fund 105 is 52.0% expended year to date, which reflects expenses for the calendar year (CY) 2021 golf season and meets expectations. The Cincinnati Recreation Commission projects no budget savings or need.

**F. Stormwater Management Fund 107**

Stormwater Management Fund 107 provides resources to various City departments. The major recipient of resources from this fund is the Stormwater Management Utility (SMU). The Department of Public Services, the Parks Department, and the Department of Buildings and Inspections also receive appropriations from this fund. The Stormwater Management Fund is 46.7% expended year to date. SMU, the Parks Department, Department of Public Services, and the Department of Buildings and Inspections project no budget savings or need at this time.

**III. DEBT SERVICE FUND**

Debt Service Funds account for the accumulation of resources for, and the payment of, principal and interest on the City's bonds issued in support of governmental activities.

**A. Bond Retirement Fund 151**

Bond Retirement Fund 151 is 37.2% expended year to date. The Finance Department projects no budget savings or need for FY 2022.

#### **IV. APPROPRIATED SPECIAL REVENUE FUNDS**

Special Revenue Funds account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments, or for major capital projects) that are legally restricted to expenditures for specific purposes.

The Office of Budget and Evaluation, in cooperation with various City departments, reviewed appropriated special revenue funds to ensure the Approved FY 2022 Budget remains in balance. Based on expenditures and revenues through January 31, 2022, most special revenue funds are on target with regards to their budget and require no additional appropriations at this time. Any identified issues are highlighted in the narrative summaries provided below. If warranted, budget adjustments will be addressed in the FAO later in the fiscal year.

##### **A. Street Construction, Maintenance & Repair Fund 301**

Street Construction, Maintenance & Repair Fund 301 is 36.4% expended year to date. The Department of Transportation and Engineering projects no budget savings or need in FY 2022. The Department of Public Services anticipates personnel and fringe benefit savings in Fund 301; however, these savings are anticipated to be partially offset by increased winter emergency operations expenses due to the inclement weather events in the beginning of February.

##### **B. Income Tax-Infrastructure Fund 302**

Income Tax-Infrastructure Fund 302 provides resources to several City departments. The Department of Transportation and Engineering is the largest recipient of resources from this fund. The Department of Public Services also receives Income Tax-Infrastructure resources. Fund 302 is 47.4% expended year to date. The Department of Transportation and Engineering does not anticipate significant savings or needs. The Department of Public Services projects a possible personnel need, which can be offset by savings in other agencies.

##### **C. Parking Meter Fund 303**

Parking Meter Fund 303 includes the budget for on-street parking enterprises (including parking meters). Fund 303 is currently 47.3% expended year to date. The Division of Parking Facilities within the Department of Community and Economic Development previously projected a savings of \$50,000 due to lower than expected traffic control supplies expenses. However, due to a change in the residential parking permit process, that savings will be applied to a permit system and other related expenses.

##### **D. Municipal Motor Vehicle License Tax Fund 306**

Municipal Motor Vehicle License Tax Fund 306 is 32.9% expended year to date. The Department of Public Services currently projects a budget savings; however,

these savings are anticipated to be partially offset by increased winter emergency operations expenses due to the inclement weather events in the beginning of February.

**E. Sawyer Point Fund 318**

Sawyer Point Fund 318 is 25.3% expended year to date. The Parks Department projects no budget savings or need in Fund 318.

**F. Recreation Special Activities Fund 323**

Fund 323 is currently 34.9% expended year to date. The Cincinnati Recreation Commission projects no budget savings or need in Fund 323.

**G. Cincinnati Riverfront Park Fund 329**

Cincinnati Riverfront Park Fund 329 is the appropriated fund that is for Smale Park. Fund 329 is currently 11.1% expended year to date. The Parks Department projects no budget savings or need in Fund 329.

**H. Hazard Abatement Fund 347**

Hazard Abatement Fund 347 is 17.4% expended year to date. The Department of Buildings and Inspections projects no budget savings or need at this time.

**I. Bond Hill Roselawn Stabilization & Revitalization Operations Fund 358**

Bond Hill Roselawn Stabilization & Revitalization Operations Fund 358 was established in FY 2016 as a \$1.0 million contract over five years for the Bond Hill Roselawn neighborhood. The full remaining fund balance of \$250,000 was appropriated in FY 2022. Once the funds are exhausted, the fund will be eliminated. This fund is 100.00% committed for FY 2022.

**J. 9-1-1 Cell Phone Fees Fund 364**

9-1-1 Cell Phone Fees Fund 364 is the appropriated fund that governs the City portion of state collected revenue from mobile device fees. Fund 364 is currently 11.5% expended year to date. The Emergency Communications Center projects no budget savings or need in Fund 364.

**K. Safe and Clean Fund 377**

Safe and Clean Fund 377 is the appropriated fund that collects revenue associated with billboard leases. These resources are allocated to Keep Cincinnati Beautiful (KCB) expenditures. This fund is currently 5.3% expended year to date. The Department of Public Services projects no budget savings or need.

**L. Community Health Center Activities Fund 395**

Community Health Center Activities Fund 395 is 52.4% expended year to date. The Cincinnati Health Department (CHD) projects a total need of \$284,000, including a personnel and fringe benefit need in health centers. However, CHD

anticipates these needs will be offset by a personnel and fringe benefit savings anticipated from school-based services. The department has several staff members assigned to COVID-19 related tasks; therefore, the department will pursue American Rescue Plan (ARP) Act reimbursements and Federal Emergency Management Agency (FEMA) reimbursements for eligible expenses as well. The department also reports an increase in contractual service costs for security services. Transfers may be required as part of the FAO.

**M. Cincinnati Health District Fund 416**

General operational support to the Cincinnati Health Department is provided by Cincinnati Health District Fund 416. This fund is 49.1% expended year to date. The Cincinnati Health Department (CHD) projects a net need of \$150,000 primarily due to COVID-19 related expenditures and an increase in contractual service costs for security services. CHD also anticipates a need in personnel and fringe benefits due to COVID-19 related overtime. Eligible COVID-19 expenses will be reimbursed by the American Rescue Plan (ARP) Act and Federal Emergency Management Agency (FEMA) funding. The Department also identified position vacancy savings that will be used to partially offset expected needs. Transfers may be required as part of the FAO.

**N. Cincinnati Area Geographic Information System (CAGIS) Fund 449**

Cincinnati Area Geographic Information System Fund 449 is 43.9% expended year to date. Enterprise Technology Solutions projects no budget savings or need at this time.

**O. Streetcar Operations Fund 455**

Streetcar Operations Fund 455 is 16.7% expended year to date. The Department of Transportation and Engineering may have personnel and fringe benefits savings in Fund 455 due to position vacancies. DOTE also projects a savings in contractual services due to receiving a grant. Other possible non-personnel savings will be monitored.

**P. County Law Enforcement Applied Regionally (CLEAR) Fund 457**

The CLEAR Fund is 31.4% expended year to date. Enterprise Technology Solutions projects no budget savings or need for FY 2022.

**Summary**

Through January 31, 2022, major budget issues include the Fire Department's staffing and overtime needs, Police and Fire lump sum payments, revenue decline in Community Health Center Activities Fund 395 and Parking Meter Fund 303, unbudgeted wage items resulting from collective bargaining agreements, and COVID-19 related impacts to the supply chain and the costs of various goods and



services. Departments have identified possible savings and shortfalls, which will continue to be monitored and updated monthly.

Submitted herewith are the following Office of Budget & Evaluation reports:

1. Fund Summary Report for the month ended January 31, 2022.

Submitted herewith are the following Department of Finance reports:

2. Comparative Statement of Revenue (Actuals, Forecast and Prior Year) as of January 31, 2022.
3. Audit of the City Treasurer's Report for the month ended December 31, 2021.
4. Statement of Balances in the various funds as of January 31, 2022.

By approval of this report, City Council appropriates the revenues received in the various restricted funds on the attached Statement of Balances and as stated in greater detail on the records maintained by the Department of Finance, Division of Accounts & Audits. Such revenues are to be expended in accordance with the purposes for which the funds were established.

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