



CY 2022 Tentative Tax Budget Overview

January 4, 2021

General Comments

- A Tentative Tax Budget (TTB) is required under Ohio State law and is submitted to the County Auditor.
- The approved TTB is the basis for establishing the CY 2022 property tax rate.
- This is the only opportunity City Council has to set a property tax millage rate for CY 2022.
- While the TTB meets the state's requirements, it does not set the FY 2022 Operating Budget.

2022 TTB — Version A and B Comparison

	Version A	Version B
CY 2021 Operating Mills	5.02	5.02
Proposed CY 2022 Operating Mills	6.10	5.15*
Projected FY 2022 GF Revenue	\$429,907,438	\$427,147,170
Projected FY 2022 GF Expenditures	\$452,812,578	\$452,812,578
Projected FY 2022 GF Budget Deficit	-\$22,905,140	-\$25,665,408
Proposed CY 2022 Debt Mills	7.50	7.50

*Projected millage based on setting property tax revenue at \$28,988,000 per the prior year City Council rollback policy.

2022 TTB - Recommendation

- The Administration is recommending Version A due to the projected deficit for FY 2022.
- City Income Tax revenue has been updated by the University of Cincinnati (UC) Economics Center's Economic Forecast and includes a 1.93% increase for FY 2022.
- UC will update the forecast in March 2021 and the updated amounts will be used as part of the FY 2022 Budget Update process.
- Expenditures have outpaced revenues due to increased labor costs, increased non-personnel costs, and increased expenditure trends in FY 2021 that will continue through FY 2022. Additionally, revenues trends have not rebounded to pre-COVID-19 levels.
- The IAFF contract expires during FY 2021; negotiations are underway. The CODE contract will expire during FY 2022 and the remaining contracts will expire during FY 2023. All contractual costs are included, with a 5.0% cost-of-living-adjustment (COLA) for FOP members. An estimated cost-of-living adjustment is included for all other contracts that will be expiring as well as non-represented employees.

Historic Millage Rates

Collection Year	General Fund Millage	County Estimated Revenue	TPP & PUPP Reimbursement from State	Resolution	Debt Service Millage	County Estimated Revenue	TPP & PUPP Reimbursement from State	Total Millage	Total Estimated Revenue
1985-1999	6.10				5.36				
1995	6.10	28,062,440		#143-1994	5.36	24,658,150		11.46	52,720,590
1996	6.10	28,060,000		#121-1995	5.36	24,656,000		11.46	52,716,000
1997	6.10	30,240,000		#150-1996	5.36	26,585,610		11.46	56,825,610
1998	6.10	28,853,000		#188-1997	5.36	25,352,800		11.46	54,205,800
1999	6.10	28,799,558		#159-1998	5.36	25,305,841		11.46	54,105,399
2000	5.54	29,242,312 ¹		#103-1999	5.36	26,329,392		10.90	55,571,704
2001	5.40	28,649,743		#172-2000	5.36	28,437,523		10.76	57,087,266
2002	5.40	28,555,479	688,245 ²	#132-2001	5.36	28,296,116	635,400 ⁴	10.76	58,175,240
2003	5.27	30,528,350	688,245 ²	#125-2002	5.36	31,033,150	635,400 ⁴	10.63	62,885,145
2004	5.00	28,300,000	688,245 ²	#120-2003	5.36	30,337,000	635,400 ⁴	10.36	59,960,645
2005	4.98	28,450,740	688,245 ²	#90-2004	5.36	30,621,680	788,284 ⁴	10.34	60,548,949
2006	4.83	27,564,810	1,419,811 ²	#68-2005	5.36	30,589,520	1,545,424 ⁴	10.19	61,119,565
2007	4.57	27,077,250	1,911,788 ²	#45-2006	5.36	31,758,000	2,073,207 ⁴	9.93	62,820,245
2008	4.53	26,525,460	2,606,406 ²	#57-2007	5.36	31,385,533	2,721,749 ⁴	9.89	63,239,148
2009	4.53	25,719,845	3,310,742 ²	#57-2008	5.36	30,432,311	3,488,187 ⁴	9.89	62,951,085
2010	4.46	25,710,339	3,328,151 ²	#52-2009	5.36	30,898,524	3,502,148 ⁴	9.82	63,439,162
2011	4.60	26,082,175	645,707 ²	#62-2010	5.47	31,015,108	3,600,381 ⁴	10.07	61,343,371
2012	4.60	23,992,902 ³		#46-2011	5.90	30,773,505	3,724,789 ⁴	10.50	58,491,196
2013	4.60	23,493,120 ³		#49-2012	6.25 ⁵	31,920,000	3,724,789 ⁴	10.85	59,137,909
2014	5.70	28,993,050		#57-2013	6.50	33,062,250	3,724,789 ⁴	12.20	65,780,089
2015	5.60	28,342,720		#37-2014	6.50	32,897,800	3,272,789 ⁴	12.10	64,513,309
2016	5.60	29,069,600		#41-2015	6.50	33,741,500	3,724,789 ⁴	12.10	66,535,889
2017	5.54	29,029,600		#25-2016	6.50	34,060,000	3,724,789 ⁴	12.04	66,814,389
2018	5.54	29,389,700		#35-2017	6.50	34,482,500		12.04	63,872,200
2019	5.16	28,988,880		#32-2018	7.26 ⁶	40,786,680		12.42	69,775,560
2020	5.19	28,988,880		#01-2019	7.26	40,786,680		12.45	69,775,560
2021	5.02	29,013,350		#21-2020	7.50	42,750,000		12.52	71,763,350

¹ In 1999, City Council set the millage for 2000 at a specific dollar amount equal to \$29,242,311 based on what was collected in 1999.

² From 2002-2011, the State of Ohio reimbursed the City for TPP & PUPP losses in operating tax revenue due to the phase out of the programs.

³ In 2012, the total property tax values decreased by 8.3%. However, City Council elected to keep the millage at 4.6 in 2012 and 2013 even though the revenue collected was significantly reduced from the rollback amount of \$28,988,000. In addition, the City no longer received any operating revenue reimbursements from the State of Ohio.

⁴ From 2002-2017, the State of Ohio reimbursed the City for TPP & PUPP losses in debt service revenue due to the phase out of the programs.

⁵ In 2012, City Council adopted \$27.9 million of one-time capital projects, including District 3 Police Station. This required a .73 millage increase

⁶ In 2018, City Council approved a 1.0 mill increase (from 6.50 to 7.50) for tax year 2019 to cover additional capital needs related to the Western Hills Viaduct, a fire training facility, women's restrooms in firehouses and other Fire Department facility related renovations.

CY 2020 City Real Estate Tax Breakdown

2019 Real Estate Tax Breakdown (Paid in CY 2020)

\$100,000 House Example

Tax Description	Current Dollars	Percentage of R/E Bill
School District	\$1,633.78	63.43%
Township	\$0.00	0.00%
City/Village		0.00%
Debt Service 7.26 Mills	\$ 224.78	8.73%
General Operating 5.16 Mills	\$ 159.76	6.20%
Joint Vocational School	\$0.00	0.00%
County General Fund	\$69.82	2.71%
Public Library	\$60.46	2.35%
Family Service/Treatment	\$10.06	0.39%
HLTH/Hospital Care-Indigent	\$50.42	1.96%
Mental Health Levy	\$48.70	1.89%
Developmental Disabilities	\$116.72	4.53%
Park District	\$30.48	1.18%
Crime Information Center	\$4.94	0.19%
Children Services	\$116.78	4.53%
Senior Services	\$38.68	1.50%
Zoological Park	\$10.46	0.41%
Annual Real Estate Tax Bill	\$2,575.85	100.00%

FY 2022-2023 Biennial Budget Process

- The Administration has implemented fee increases in two of the past three years and is not recommending any substantial fee changes for FY 2022.
- Exempting Police, Fire, and Emergency Communications results in remaining General Fund Departments facing an average 15.77% reduction based on current revenue estimates in Version A.
- If Councilmembers are recommending new or increased fees, or new or increased taxes, please submit information to the Law Department by 02/01/2021. This will allow ample time to research the feasibility and certify a reasonable revenue estimate.
- The Administration will propose a structurally balanced FY 2022-2023 Biennial Budget for approval prior to July 1, 2021.

FY 2022 Budget Policy Motion Process

Weekly Budget Presentations at Budget and Finance Committee	January 18 – March 15
City Council Submits Draft of Budget Policy Motion to Committee	March 15, 2021
Public Hearing: Budget Policy Motion	March 29, 2021
City Council Approves the Budget Policy Motion at Council Meeting	March 31, 2021

FY 2022-2023 Biennial Budget Process

City Manager's FY 2022-2023 Recommended Biennial Budget Delivered to Mayor	May 6, 2021
Mayor's Recommended Biennial Budget Delivered to the City Council	May 20, 2021
Three Public Hearings TBD	June 3, June 8, June 9
City Council Approves the FY 2022-2023 Biennial Budget	June 23, 2021

Important Dates and Deadlines

- TTB Referred on December 16, 2020.
- Budget and Finance Committee's Tentative Tax Budget Public Hearing – January 4, 2021.
- City Council approval of the Tentative Tax Budget Resolution on January 6, 2021. Must be Approved by January 15, 2021.
- Due to County Auditor's Office no later than January 20, 2021.
- County Budget Commission has final approval of millage rates. City Administration attends the Commission hearing to support the requested millage rate.

Questions?