

March 9, 2022

To: Mayor and Members of City Council 202200599

From: John P. Curp, Interim City Manager

Subject: Finance and Budget Monitoring Report for the Period Ending December 31, 2021

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 December 31, 2021, 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 December 31, 2021.

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 \$11.1 million through the end of December. However, this report highlights increased potential expenditure needs in the amount of \$13.9 million.
2. Cincinnati Fire Department attrition through December 2021 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 is expected to result in an additional overtime need beyond the \$10.0 million projected for the December 31, 2021 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 will start with CODE closer to their contract's expiration date in March 2022. 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.
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 an estimated non-personnel need of \$2.7 million. A mid-year budget adjustment ordinance will likely be required to address these needs.

REVENUE

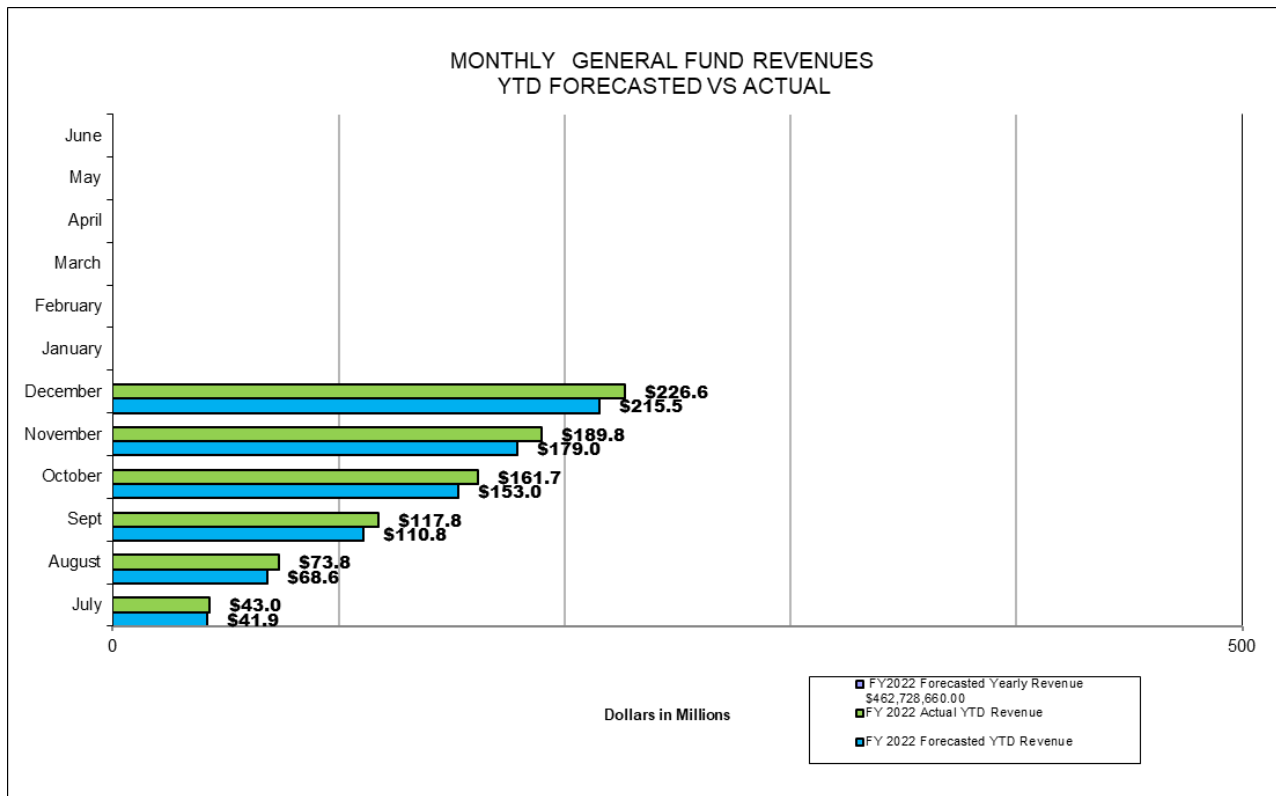
The information below provides an update on the City of Cincinnati's financial condition as it relates to revenue projections as of the month ending December 31, 2021. Variances are based on current year estimates and prior year activity in attached schedules.

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 December 31, 2021 and shows that actual revenue of \$226.6 million was above forecasted revenue of \$215.5 million by \$11.1 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.

GENERAL FUND REVENUE SOURCES

	FAVORABLE VARIANCE	(UNFAVORABLE) VARIANCE
General Property Tax	1,885,361	
City Income Tax	4,597,501	
Admissions Tax	1,781,182	
Short Term Rental Excise Tax	174,173	
Licenses & Permits	829,648	
Fines, Forfeitures, & Penalties	105,611	
Investment Income	561,507	
Local Government	1,449,407	
Casino	1,149,373	
Police	3,614	
Buildings and Inspections	75,063	
Fire	477,341	
Parking Meter	300	
Other		(\$2,019,562)
	13,090,080	(\$2,019,562)
Difference	11,070,518	

General Fund (favorable variance) is \$11.1 million above the amount forecasted through December 2021 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 \$4.6 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 \$1.8 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 \$830k above the forecasted amount.** Building permits are trending toward pre-pandemic levels along with many plumbing permits issued this month. The FY 2022 estimate was conservative due to the unknown 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 \$1.4 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 \$1.1 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 \$2 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 \$953k.** 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 \$591k.** 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 \$547K.** Even though the foreclosure ban has been lifted, there has not been an increase in foreclosures. Therefore, the number of Vacant Foreclosure Licenses remains low. The Vacant Buildings Maintenance License (VBML) revenue has not started to rebound either. A potential 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 primarily due to the 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 December 31, 2021. 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 46.1% of budget, and commitments are 51.7% of budget in the General Fund 050 as compared to the estimated period ending December 31, 2021, or 50.0% of the fiscal year. "Non-personnel expenses" are trending higher at 68.9% 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 December 31, 2021, 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 25% 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 is 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 be reflected in future budget monitoring periods. 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 (\$2.6 million)

The Cincinnati Police Department projects an overall need of \$2.6 million due 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. Staffing trends and related personnel needs will be closely monitored.

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.

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: Office of Communications

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

4. 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.

4. 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.

5. City Manager's Office: Emergency Communications Center (ECC)

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

6. City Manager's Office: Office of Environment and Sustainability

The Office of Environment and Sustainability projects no budget savings or need at this time. However, the recycling budget faces shortages annually and will be monitored during the fiscal year to address any needs.

7. 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.

8. 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.

9. City Manager’s Office: Internal Audit

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

10. 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.

11. 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.

12. Department of Finance

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

13. 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 Final Adjustment Ordinance.

14. Department of City Planning and Engagement

The Department of City Planning and Engagement projects no budget savings or need at this time. However, a potential non-personnel need may arise due to membership fees and postage. 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.

15. 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.

16. 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 Final Adjustment Ordinance.

17. 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 Final Adjustment Ordinance.

18. 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.

19. Department of Transportation and Engineering

The Department of Transportation and Engineering projects no personnel budget savings or needs, pending reimbursement processing.

20. 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.

21. 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 39.4% expended year to date. The Greater Cincinnati Water Works (GCWW) projects a total need of up to \$2.7 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 will be 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 28.3% 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 34.1% 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 48.6% 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 38.8% expended year to date. SMU, the Parks Department, and the Department of Buildings and Inspections project no budget savings or need at this time. The Department of Public Services projects a personnel savings due to position vacancies.

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 34% 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 December 31, 2021, 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 31.6% 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 may be partially offset by increased winter emergency operations expenses depending on the weather conditions over the next few months.

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 40.2% 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 41.1% 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 28.3% expended year to date. The Department of Public Services projects neither a budget need nor savings. Increased winter emergency operation expenses may create a need in the FAO.

E. Sawyer Point Fund 318

Sawyer Point Fund 318 is 22.7% 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 30.7% 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 10.1% 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 14.0% 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 10.9% 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 4.7% 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 46.7% expended year to date. The Cincinnati Health Department (CHD) projects a total need of \$245,000, 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 43.2% expended year to date. The Cincinnati Health Department (CHD) projects a net need of \$316,200 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 38.8% 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 34.8% expended year to date. The Department of Transportation and Engineering may have personnel and fringe benefits savings in Fund 455 due to position vacancies. Contractual services related to the Streetcar will be monitored for a potential need in FY 2022.

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

The CLEAR Fund is 23.9% expended year to date. Enterprise Technology Solutions projects no budget savings or need for FY 2022.

Summary

Through December 31, 2021, 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 December 31, 2021.

Submitted herewith are the following Department of Finance reports:

2. Comparative Statement of Revenue (Actuals, Forecast and Prior Year) as of December 31, 2021.
3. Audit of the City Treasurer's Report for the month ended November 30, 2021.
4. Statement of Balances in the various funds as of December 31, 2021.

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