

**March 10, 2021**

**To:** Mayor and Members of City Council 202100921

**From:** Paula Boggs Muething, City Manager

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

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The purpose of this report is to provide the City Council with the status of the City's Fiscal Year (FY) 2021 financial and operating budget conditions as of January 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 January 31, 2021.

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

1. Overall, General Fund revenues are greater than projected by \$25.6 million through January. However, increased expenditures noted in this report highlight a potential need of \$18.7 million.
2. 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 lump sum payment expenditures currently exceed the budget by \$1.3 million through January 31, 2021. As attrition continues in FY 2021, the CPD lump sum need will increase. Fire's additional lump sum payment needs are currently estimated at \$1.0 million for FY 2021.
3. As noted above, Fire has experienced several unanticipated separations. Attrition through January 31, 2021 has trended nearly 183% higher than expected, which has 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 \$5.3 million.
4. The Approved FY 2021 Budget Update included a 2.0% cost of living adjustment (COLA) for sworn public safety employees (e.g. the International

Association of Fire Fighters (IAFF) and the Fraternal Order of Police (FOP)). A 5.0% COLA has been agreed to for the FOP, which will be effective May 2021 and will generate an estimated additional need of \$500,000 in FY 2021. A 5.0% COLA has also been agreed to for the IAFF, which will be effective retroactively to December 2020 and will generate an estimated additional need of \$1.2 million. Supplemental appropriations will be required.

5. Community Health Services Fund 395 revenues are being negatively impacted by COVID-19, especially in school-based medical and dental clinics due to the delay of in-person learning in Cincinnati Public Schools (CPS). Revenue trends will continue to be closely monitored. While Fund 395 is unlikely to meet revenue estimates, some expenditure savings are expected due to the reduction in school-based services. If additional Coronavirus Aid, Relief, and Economic Security (CARES) Act or other federal funds become available, certain activities may be eligible for reimbursement.
6. Due to COVID-19, many employers have instituted remote work policies and restaurants and retailers have limited capacity to promote social distancing. As a result, parking meter usage is down, which has negatively impacted Parking Meter revenue. However, many contractual service expenditures are based on revenue, so less revenue results in lower expenses in some cases. The Division of Parking Facilities currently projects a non-personnel savings of \$520,000. This will partially offset the reduction in revenue. The fund will be monitored closely to ensure expenditures do not outpace revenues.
7. The Approved FY 2021 Budget Update included a voluntary Early Retirement Incentive Program (ERIP) designed to reduce the City's workforce and generate long-term personnel savings. The budget assumed certain position vacancy savings and lump sum payment needs for departments with employees eligible to elect ERIP. The employee signup window is closed and a reconciliation of these savings and needs was required to realign resources between departments. Mid-year appropriation adjustment Ordinance No. 0030-2021 was passed on February 3, 2021 to reconcile the savings and needs. The program did result in net savings of \$3.5 million for FY 2021.
8. Certain budgeted reimbursements in various departments cannot be met due to natural turnover as well as turnover related the Early Retirement Incentive Program. Additionally, the COVID-19 pandemic has necessitated the suspension or reduction of certain projects and activities that are reimbursable. Therefore, a shortfall in personnel and benefits is expected in various departments.
9. Winter Operations resources are budgeted assuming an average winter. Above average snow and ice storms – particularly those seen in February – may result

in a budgetary need for the Department of Public Services. Other departments may also have unanticipated costs associated with winter weather mitigation and snow removal. Potential shortfalls will be addressed through the Final Adjustment Ordinance.

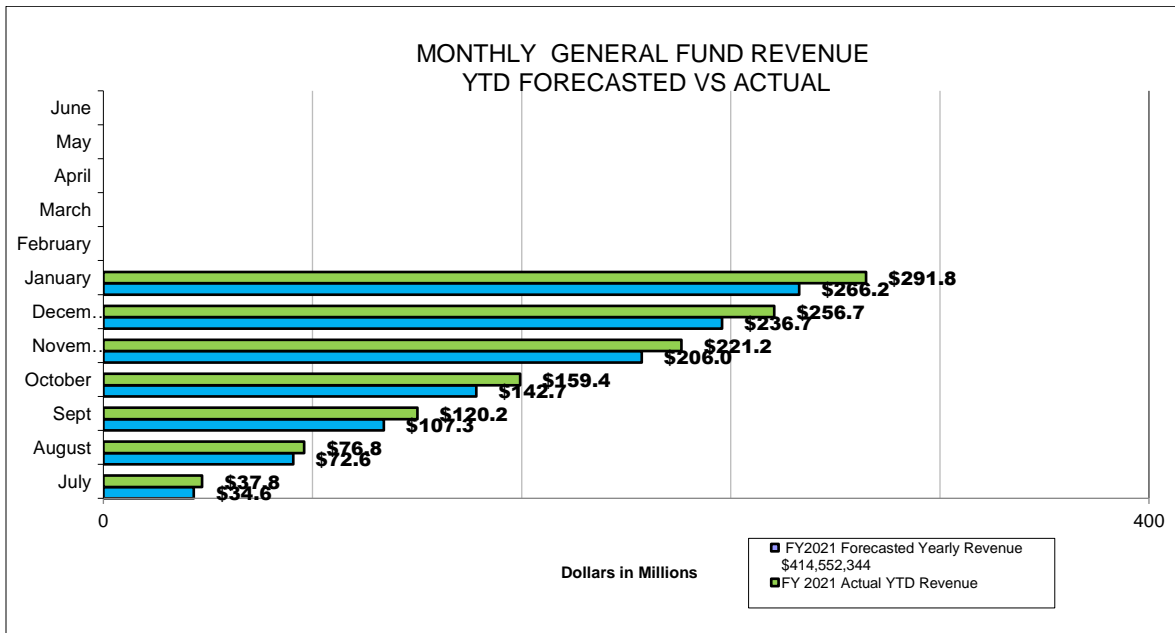
## REVENUE

The following report provides an update on the City of Cincinnati’s financial condition as of the month ending January 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 vs. forecasted revenue and prior year actual revenue vs. 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, 2021 and shows that actual revenue of \$291.8 million was above forecasted revenue of \$266.2 million by \$25.6 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> |  |  |
|-------------------------------------|--|--|

|                                    | FAVORABLE<br>VARIANCE | (UNFAVORABLE)<br>VARIANCE |
|------------------------------------|-----------------------|---------------------------|
| General Property Tax               | \$687,130             |                           |
| City Income Tax                    | \$27,990,232          |                           |
| Admission Tax                      |                       | (\$1,287,485)             |
| Short Term Rental Excise<br>Tax    | \$171,363             |                           |
| Licenses & Permits                 |                       | (\$134,887)               |
| Fines, Forfeitures, &<br>Penalties |                       | (\$1,543,149)             |
| Investment Income                  | \$182,768             |                           |
| Local Government                   | \$361,172             |                           |
| Casino                             | \$930,483             |                           |
| Police                             |                       | (\$171,665)               |
| Buildings and Inspections          | \$490,708             |                           |
| Fire                               | \$455,654             |                           |
| Parking Meter                      |                       | (1,351,136)               |
| Other                              |                       | (1,216,635)               |
|                                    | \$31,269,510          | (\$5,704,957)             |
| Difference                         | \$25,564,552          |                           |

**General Fund (favorable variance) is \$25.6 million** above the amount forecasted thru January in the FY 2021 Budget. What follows is an explanation of significant variances of individual General Fund revenue components.

1. **Income Tax (favorable variance) is \$28 million** above the forecasted amount. The work from home exception due to the pandemic has been challenged in the courts. If the courts rule in favor of the plaintiff, a large portion of these revenues would need to be refunded. The Income Tax component represents 71% of the total General Fund percentage. Administration continues to evaluate and watch for trends.
  
2. **Admission Tax (unfavorable variance) is \$1.3 million** below estimate. Most venues that generate admission tax continue to be closed, or open with very limited capacity, due to the pandemic. This trend will continue for the foreseeable future therefore, the estimate in this revenue category will not be met for the fiscal year.
  
3. **Fines, Forfeitures & Penalties (unfavorable variance) is down \$1.5 million.** Parking fines make up most of the revenue in this category, and parking fines continue to be significantly below estimate. As the pandemic continues and parking remains below normal around the City that will lead to this estimate not being met for the fiscal year.

4. **Casino (favorable variance) is up \$930k.** Despite the pandemic and limited capacities, the casino revenues continue to exceed estimates.
5. **Buildings and Inspections (favorable variance) is up \$491k.** This favorable variance is due to collections related to elevator inspections which are billed one time a year.
6. **Fire (favorable variance) is \$456k** above the forecasted amount. The Fire Department enlisted an outside vendor to improve their billing and collection processes. The positive results of that show with this favorable variance. The estimates are based on historical collections and will take some time to level out with the new processes.
7. **Parking Meter (unfavorable variance) is \$1.4 million** below estimate. The unfavorable variance is due to reduced economic activity as a result of the COVID-19 pandemic.
8. **Other (unfavorable variance) is \$1.2 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. **Convention-Exposition Center (unfavorable variance) is down \$2.2 million.** Convention cancellations due to the COVID-19 pandemic have caused a decrease in revenue. This trend will continue for the foreseeable future therefore, the estimate in this revenue category will not be met for the fiscal year.
- B. **Municipal Golf (favorable variance) is up \$1.4 million.** The Cincinnati Recreation Commission experienced an increase in the utilization of the golf courses as people were looking for activities during the pandemic resulting in increased revenue.
- C. **Sawyer Point (unfavorable variance) is down \$288k.** The unfavorable variance is due to of less economic activity at the park as a result of the pandemic restrictions.
- D. **Recreation Special Activities (unfavorable variance) is down \$1.9 million.** The Cincinnati Recreation Commission has experienced a reduction in revenue due to the cancellation of recreation center programs as a result of the pandemic.
- E. **Hazard Abatement (unfavorable variance) is down \$426K.** The Vacant Buildings Maintenance License revenue is down due to the number of license

waivers requested due to the pandemic. In addition, Vacant Foreclosure License revenue is below estimate as a result of the reduced number of foreclosures being processed during the pandemic.

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, 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 55.2% of budget, and commitments are 58.6% of budget in the General Fund 050 as compared to the estimated period ending January 31, 2021, or 58.3% of the fiscal year. "Non-personnel expenses" are trending higher at 64.3% 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 2021 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 2021.

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

At this time, no General Fund 050 departments are projecting a savings at the end of FY 2021. Position vacancy savings and position eliminations associated with the Early Retirement Incentive Program, along with non-personnel reductions as part of the Approved FY 2021 Budget Update, have made it difficult for departments to achieve savings. 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 2021. 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 Police Department (\$8.4 million)**

The Cincinnati Police Department (CPD) currently projects a total budget need of \$8.4 million due a variety of factors brought on by COVID-19 related disruptions, prior year accounting corrections, and high levels of lump sum payments made to officers departing sworn service. Several high tenure officers entering retirement has led to a record amount of lump sum payments, with additional amounts expected for retirements that have already been announced. While some retiring officers have chosen the option of remaining on the payroll while accrued leave time is dispensed, this reduces the expected level of Position Vacancy Allowance (PVA) the vacancy was expected to accumulate. In addition, disruptions to businesses due to COVID-19 have suppressed collections for reimbursable overtime, led to unplanned amounts of disaster overtime, and is expected to be a continued source of projected overtime expenditures as the fiscal year continues. While it is expected that additional retirements and resignations will decrease the overall need as the year progresses, all CPD personnel expenditures will continue to be strictly monitored and updated.

In addition to these personnel concerns, CPD has seen a higher amount of vehicle collisions as compared to past years, creating an estimated additional need in Automotive Repair by Garage of \$500,000. Lastly, due to a high level of warrant processing by Hamilton County, CPD will require an additional \$900,000 to meet its contractual requirements.

**2. Cincinnati Fire Department (\$7.4 million)**

The Cincinnati Fire Department projects a need of up to \$7.4 million by fiscal year end due to higher than anticipated lump sum payments, increased overtime, and increased holiday sellback and sick sellback. These items have also impacted fringe benefits expenses. The COVID-19 pandemic has necessitated the use of additional overtime to meet staffing and service requirements. Sick leave has increased due to COVID-19 diagnoses, exposure, or 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. For the identified needs that are directly related to COVID-19, the Administration will seek additional federal or state dollars to help offset the overage. Additionally, attrition through January 31, 2021 has trended 183% higher than expected due to unanticipated separations. Several separations are

attributed to medic unit staff burnout, which has increased since the start of COVID-19. If attrition trends do not curtail, the department will require additional overtime to backfill vacant positions. Lastly, the Fire Department indicated a possible non-personnel need for contractual services and automotive maintenance and repairs, which may be offset by uniform savings. Both the department and the Office of Budget and Evaluation will continue to closely monitor staffing trends and overtime needs.

**3. Department of Public Services (\$1.0 million)**

Stormwater rate increases over the previous two calendar years have resulted in expenses outpacing budgeted funds for utility expenses at city-owned buildings. Based on current billings, utility expenses could create a budget need of approximately \$500,000. Adjustments to the budget for increased stormwater fees will be made in future budget cycles. Additionally, the Department of Public Services is more aggressively filling key, street level positions such as Sanitation Helpers and Sanitation Specialists in order to provide greater operational capacity for critical Neighborhood Operations. Several position changes and unrealized ERIP savings in the Director's Office has created a personnel need. This has reduced the amount of Position Vacancy Allowance (PVA) that the department is expected to generate. As a result, there is an additional need of \$500,000. Personnel expenditures will continue to be strictly monitored and updated.

**4. Department of Human Resources (\$136,000)**

The Department of Human Resources projects a net need of up to \$136,000, which is required to begin public safety promotional and recruit testing.

**5. City Manager's Office: Office of Environment and Sustainability (\$75,600)**

The Office of Environment and Sustainability anticipates a total non-personnel budget need of \$75,600. Contractual services from Rumpke are projected to exceed the budget by \$69,400. Utility payments for the Center Hill Landfill are projected to create a \$6,200 shortfall in FY 2021. A need of \$20,000 in temporary personnel will be offset with personnel and fringe benefit savings from budgeted recycling cart service center positions that have not yet been filled.

**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 2021.

**1. Clerk of Council**



The Clerk of Council's Office projects no savings or need at this time. However, slight variances in personnel expenditures will be monitored in future months with any needs addressed in the Final Adjustment Ordinance.

**2. Enterprise Technology Solutions**

The Department of Enterprise Technology Solutions projects no budget savings or need at this time.

**3. City Manager's Office**

The City Manager's Office projects no budget savings or need at this time. However, the Office of Human Relations anticipates a budget need of \$15,000 due to a shortage for the pension obligation to the United Way as well as strategic planning. Budget savings in other areas are expected to offset these needs.

**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 Budget and Evaluation**

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

**6. City Manager's Office: Office of Performance and Data Analytics (OPDA)**

The Office of Performance and Data Analytics (OPDA) projects no budget savings or need.

**7. City Manager's Office: Internal Audit**

Internal Audit expects no budget savings or need currently.

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

The Emergency Communications Center anticipates no budget savings or need currently. However, due to COVID-19 and related social distancing and overnight curfews, call volume to the ECC has substantially decreased during late night hours, leading to less revenue in 9-1-1 Cell Phone Fees Fund 364. As a result, the ECC may not be able to meet their budgeted reimbursement amount from Fund 364 to the General Fund.

**9. Department of Law**

At this time, the Department of Law forecasts no budget need or savings for FY 2021. The department has some outstanding reimbursement interdepartmental (ID) bills that will be processed shortly.

**10. Department of Finance**

The Department of Finance currently has identified some savings in their FY 2021 personnel budget. Savings will be used to help offset needs for \$40,000 in expert

services and a \$50,000 need for additional CAFR consulting fees. The Department has several reimbursement ID bills in process. Additionally, the Purchasing Division is anticipating a shortfall in fringe benefits beginning in March due to reimbursements being less than expected. Transfers will be made in the spring with the Final Adjustment Ordinance (FAO) to account for a shortfall in fringe benefits and contractual services.

**11. Department of Community and Economic Development**

The Department of Community and Economic Development (DCED) projects a possible personnel need due to several unanticipated promotions. Additionally, DCED projects a contractual services need due to unexpected expenditures for telephone charges and computer peripherals. These unanticipated expenses are the result of COVID-19, which necessitated the provision of remote access to staff. The department also projects a fixed charge need due to several prior year leveraged support obligations that must now be fulfilled. However, budget savings in other areas are expected to offset these needs.

**12. City Planning Department**

The City Planning Department projects no budget need or savings at this time. However, a potential non-personnel need may arise due to temporary personnel, membership fees, postage, and software. Additionally, the department may not be able to fully meet their budgeted reimbursements by fiscal year-end due to unexpected position vacancies, which would create a personnel shortfall as well.

**13. Citizen Complaint Authority**

The Citizen Complaint Authority currently has some position vacancy savings in the General Fund; however, vacant positions were filled in December. Some of the savings will help offset expected needs in fringe benefits.

**14. Department of Recreation**

The Department of Recreation is on target pending the processing of outstanding interdepartmental (ID) bills for service. Once those are processed, there should be no issues to report. The department does expect to need a transfer within the current appropriation as part of the FAO to better align various expenditures.

**15. Cincinnati Parks Department**

The Parks Department is currently not projecting savings or a need for the FY 2021 General Fund budget. Variances are due to timing and will be used to offset salary reimbursements from other funds.

**16. Department of Buildings and Inspections**

The Department of Buildings and Inspections projects no budget savings or need at this time. The department will continue to process reimbursements regularly.

## **17. Department of Transportation & Engineering**

Overall, the Department of Transportation and Engineering's monitoring report includes savings and needs within the department's appropriation. The department is behind on the processing of reimbursement ID bills. The department will continue to monitor all expenses but is confident at this time that any needs can be settled within their current appropriation.

## **18. Department of Economic Inclusion**

The Department of Economic Inclusion does not project a savings or need at this time. The department may not be able to achieve its budgeted reimbursement amount, which may result in a personnel need. A potential non-personnel need may arise depending on which vendor is selected to perform the disparity study. Potential savings and needs will be monitored closely in the coming months.

## **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**

The Greater Cincinnati Water Works (GCWW) anticipates an overall savings of approximately \$4.1 million primarily due to debt service savings, position vacancy savings, and non-personnel savings. Total estimated savings have been reduced from \$4.8 million to reflect debt schedule changes. GCWW has actively sought to reduce non-personnel costs to limit the potential fiscal impacts of COVID-19. An unexpected expense of \$150,000 is the result of the water main break on Riverside Drive. A transfer within appropriations is necessary prior to the FAO to better align appropriations with necessary expenses.

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

Fund 102 is currently 51.1% expended year to date. The Division of Parking Facilities within the Department of Community and Economic Development projects a net savings of \$315,000 from contractual services and debt service. Due to COVID-19 and related social distancing and remote work policies, parking garage usage is below expectations. As a result, both revenue and revenue-based expenses are trending below estimates. The expenditure savings will partially offset the projected loss of revenue. Revenue and expenditure trends will continue to be closely monitored.

Note: Starting in FY 2020, the Division of Parking Facilities was altered to functionally separate off-street parking (garages, etc.) and on-street parking (parking meters, etc.). The budget for off-street parking enterprises remains in the Parking System Facilities Fund. The budget for on-street parking enterprises has shifted to the Parking Meter Fund, which was reactivated in FY 2020.

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

The Duke Energy Convention Center's Fund 103 has identified some savings in its non-personnel budget for FY 2021. Savings will be used to help offset needs in personnel.

**D. General Aviation Fund 104**

The General Aviation Fund is 54.1% expended year to date. The Department of Transportation and Engineering (DOTE) projects \$118,000 in personnel and fringe benefits needs due to winter operations overtime that has not yet been billed. DOTE also identified potential non-personnel needs that will be monitored leading up to the FAO.

**E. Municipal Golf Fund 105**

Municipal Golf Fund 105 is projecting neither a need nor a savings for FY 2021.

**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 and the Parks Department also receive appropriations from this fund. SMU does not currently project a savings or need. The Department of Public Services does not project a savings or need at this time.

On October 28, 2020, the City Council passed Ordinance No. 0358-2020 to transfer and appropriate the Private Lot Abatement Program (PLAP) from the Department of Public Services to the Department of Buildings and Inspections. The program transfer became effective November 1, 2020. Due to a large number of properties requiring services, non-personnel needs related to contract labor in the Private Lot Abatement Program (PLAP) in the Department of Buildings and Inspections may exceed appropriations by up to \$200,000. If an adjustment is warranted, it is not likely to be needed until the spring when the weather improves, and the program picks up again once winter has ended. This may require either a transfer within appropriations if savings are generated or a supplemental appropriation.

**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 currently not projecting savings or a need for FY 2021.

**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 2021 Budget Update remains in balance. Based on expenditures and revenues through January 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**

The Department of Public Services is not projecting a need for FY 2021. The Department of Transportation and Engineering anticipates a potential non-personnel need due to pending ID bills. The fund is 38.6% expended through January and below the estimated 58.3%.

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

Income Tax-Infrastructure Fund 302 provides resources to several City departments. The Department of Transportation and Engineering (DOTe) is the largest recipient of resources from this fund. The Department of Public Services also receives Income Tax-Infrastructure resources and is not projecting a savings or need at this time. The fund is 53.4% expended through January and will continue to be monitored closely to ensure sufficient resources are allocated.

**C. Parking Meter Fund 303**

Fund 303 is currently 45.6% expended year to date. The Division of Parking Facilities within the Department of Community and Economic Development projects a savings of \$520,000 from expert services and credit card fees. Due to COVID-19 and related social distancing and remote work policies, parking meter usage is below expectations. As a result, both revenue and revenue-based expenses are trending below estimates. The expenditure savings will partially

offset the projected loss of revenue. Revenue and expenditure trends will continue to be closely monitored.

Note: Starting in FY 2020, the Division of Parking Facilities was altered to functionally separate off-street parking (garages, etc.) and on-street parking (parking meters, etc.). The budget for off-street parking enterprises remains in the Parking System Facilities Fund. The budget for on-street parking enterprises has shifted to the Parking Meter Fund, which was reactivated in FY 2020.

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

The Department of Public Services has indicated that it is not projecting a savings or need as this fund is 36.6% expended year to date and below the estimated 58.3%.

**E. Sawyer Point Fund 318**

Sawyer Point Fund 318 is currently not projecting savings or a need for FY 2021.

**F. Recreation Special Activities Fund 323**

Recreation Special Activities Fund 323 is projecting neither a need nor a savings for FY 2021. Due to the impacts of COVID-19, revenue in this fund is down significantly, but expenditures are also down based on reduced programming.

**G. Cincinnati Riverfront Park Fund 329**

Cincinnati Riverfront Park Fund 329 is currently not projecting savings or a need for FY 2021. Variances are due to timing and will be used to meet salary reimbursement obligations.

**H. Hazard Abatement Fund 347**

The Hazard Abatement Fund 347 is an appropriated fund that is for activities related to the Vacant Building Maintenance License (VBML) Fee, the Residential Rental Registration (RRI) program, and the Residential Rental Property Inspection Pilot program. The fund is currently 28.0% expended year to date and is not projecting a savings or need at this time.

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

This fund was established in FY 2016 as a \$200,000 per year contract for five years for the Bond Hill Roselawn neighborhood. This fund is 50.7% committed for FY 2021.

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

9-1-1 Cell Phone Fees Fund 364 is an appropriated fund that is for expenditures related to the Emergency Communications Center. Revenue for this fund is based on a proportion of the state mandated 9-1-1 Cell Phone fees allocated by call volume. Due to COVID-19 and related social distancing and overnight curfews,

call volume to the ECC has substantially decreased during late night hours, leading to decreased revenues. As a result, the ECC may not be able to meet their budgeted reimbursement amount to the General Fund. The fund will continue to be monitored for trends in revenue.

**K. Safe and Clean Fund 377**

Safe and Clean Fund 377 is the appropriated fund that accounts for funds received for billboard leases and is pledged for Keep Cincinnati Beautiful (KCB) expenditures. This fund is currently 4.0% expended year to date.

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

There are some savings in the non-personnel and personnel budgets due to reduced patient care and position vacancies during the COVID-19 shutdown that could be used to offset various needs in personnel and benefits, contractual services, materials and supplies, and fixed charges. Needs are due to increased expenses for medical supplies and services as a result of the COVID-19 pandemic. Additional needs are a result of higher than anticipated office rent exceeding the budgeted amount. Internal transfers and grant funds will help offset needs as well. The Department has several staff members assigned to COVID-19 related tasks; therefore, CARES Act funding will help cover these costs. Additionally, transfers may be made in the spring with the Final Adjustment Ordinance (FAO) if necessary.

Currently, Fund 395 is on track to fall short of revenue estimates for FY 2021. The delay in in-person learning for Cincinnati Public Schools has impacted revenue for school-based medical and dental clinics.

**M. Cincinnati Health District Fund 416**

COVID-19 related expenses such as overtime, ongoing temporary services and equipment rental result in needs in contractual services, materials and supplies, and personnel for the Health Department. The COVID-19 related expenses will be reimbursed by CARES Act funding. There is also a potential need for the remainder of FY 2021 for COVID-19 contact tracing and vaccine distribution; however, grants and other sources of funding are being pursued to help cover those costs. Vaccination expenses are expected to be reimbursed by the Federal Emergency Management Agency (FEMA). Additionally, needs result from fixed charges such as rent and software, and anticipated salaries, pension and employee health care expenses exceeding budgeted amounts. Security guard service and security upgrades including a surveillance camera system also are cause for needs by the Health Department.

The Department has identified some position vacancy and non-personnel savings that will be used to help offset the expected needs. Transfers may be made in the spring with the Final Adjustment Ordinance (FAO) if necessary.

\*Note: At the beginning of FY 2020, the Health Department's General Fund 050 account was switched to the Cincinnati Health District Fund 416, which was established by state mandate in Ordinance No. 0215-2019 for the purpose of separately accounting for the support of the general operation of the Cincinnati Health Department.

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

The CAGIS Fund is 53.0% expended year to date and is projected to have neither a need nor a savings for FY 2021.

**O. Streetcar Operations Fund 455**

Streetcar Operations Fund 455 is projected to have neither a need nor a savings for FY 2021.

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

The CLEAR Fund is 27.7% expended year to date and is projected to have neither a need nor a savings for FY 2021.

**Q. Income Tax-Transit Fund 759**

Income Tax-Transit Fund 759 is 93.5% expended year to date and is projected to have neither a need nor a savings for FY 2021.

**Summary**

Through January 31, 2021, major budget issues include Police and Fire lump sum payments and cost of living adjustments, the Fire Department's staffing and overtime needs, COVID-19 related revenue decline in Community Health Center Activities Fund 395 and Parking Meter Fund 303, and the Early Retirement Incentive Program reconciliation. 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, 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.

Submitted herewith are the following Department of Finance reports:

1. Comparative Statement of Revenue (Actuals, Forecast and Prior Year) as of January 31, 2021.



2. Audit of the City Treasurer's Report for the month ended December 31, 2020.
3. Statement of Balances in the various funds as of January 31, 2021.

cc: Christopher A. Bigham, Assistant City Manager  
Karen Alder, Finance Director  
Andrew M. Dudas, Interim Budget Director

Attachments