



*Interdepartmental
Correspondence Sheet*

May 3, 2023

TO: Mayor and Members of City Council

202301285

FROM: Sheryl M.M. Long, City Manager

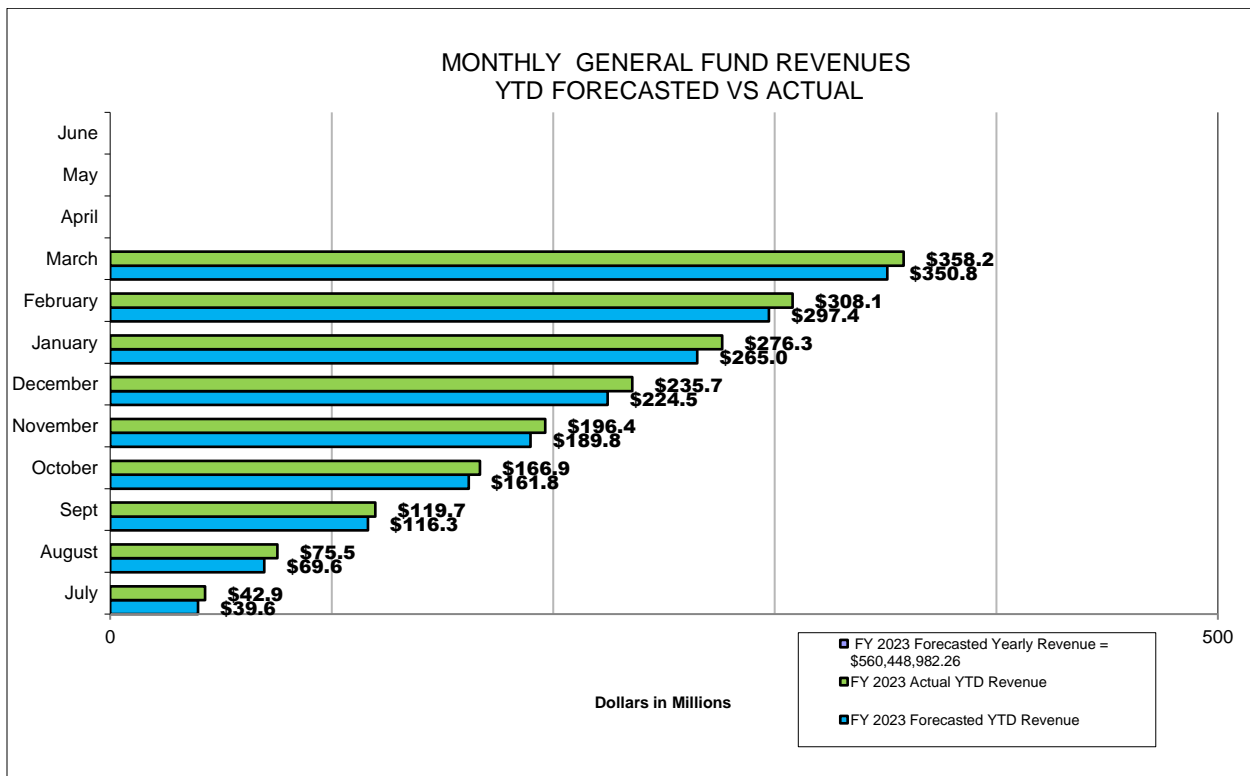
SUBJECT: Department of Finance Reports for the Month Ended March 31, 2023

**MARCH 2023
MONTHLY FINANCIAL REPORTS**

The following report provides an update on the City of Cincinnati’s financial condition as of the month ending March 31, 2023. 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.

The chart below portrays the performance of actual revenue collected against the forecasted revenue collected through March 31, 2023 and shows that actual revenue of \$358.2 million was above forecasted revenue of \$350.8 million by \$7.4 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		(\$995,708)
City Income Tax	5,482,712	
Admissions Tax	1,623,369	
Short Term Rental Excise Tax	407,650	
Licenses & Permits		(\$596,890)
Fines, Forfeitures, & Penalties		(\$297,569)
Investment Income	2,748,273	
Local Government		(\$290,668)
Casino	428,345	
Police	321,322	
Buildings and Inspections		(\$203,172)
Fire	532,654	
Parking Meter	450	
Other		(\$1,705,309)
	11,544,775	(\$4,089,317)
Difference	7,455,459	

General Fund (favorable variance) is \$7.5 million above the amount forecasted thru March in the FY 2023 Budget. This is the ninth month's report for the fiscal year. What follows is an explanation of significant variances of individual General Fund revenue components.

Property Tax (unfavorable variance) is \$1 million below estimate due to the decrease in the millage for this half. The millage for the second half is set at a higher rate which will offset this unfavorable variance. The Administration anticipates Property Tax revenue will be on target at year end. This is a semi-annual payment. The second payment will be received in late Spring.

Income Tax (favorable variance) is \$5.5 million above the forecasted amount. This amount can fluctuate throughout the year as quarterly net profits are due. The Finance Department will continue to watch the trends, including those related to remote work, very closely.

Admission Tax (favorable variance) is \$1.6 million above estimate. Many estimates were set at pre-pandemic levels; however, businesses have rebounded stronger than expected.

Investment Income (favorable variance) is \$2.7 million above estimate. This is a result of better interest rates and a new contract with an investment manager yielding results above our projections. The market is volatile right now with the banking crisis so Finance will keep an eye on the rates going forward this Fiscal Year.

Fire (favorable variance) is \$533k above the forecasted amount. There has been an increase in Basic Life Support runs contributing to the increased revenue.

Other (unfavorable variance) is \$1.7 million below forecast. This category is made up of many small sources of revenue that fluctuate from time to time. The Finance Department will continue to monitor these various revenue sources.

Restricted Funds:

Parking Garages (favorable variance) is up \$961k. The estimate was very conservative this year as the decline from the pandemic is still lingering in this category. We are monitoring how many companies are bringing their employees back to the office and utilizing the lots and garages.

Parking Meter (unfavorable variance) is \$953k below estimate. Even with a reduction in the current year estimate from last year, there is still less demand leading to a negative variance.

Sawyer Point (unfavorable variance) is down \$275k. This variance is partly due to a large concert cancellation at the beginning of the fiscal year and less demand for parking at the riverfront.

Submitted herewith are the following Department of Finance reports:

1. Comparative Statement of Revenue (Actual, Forecast and Prior Year) as of March 31, 2023.
2. Audit of the City Treasurer's Report for the month ended February 28, 2023.
3. Statement of Balances in the various funds as of March 31, 2023.

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.

c: William "Billy" Weber, Assistant City Manager
Karen Alder, Finance Director