



# Budget Basics

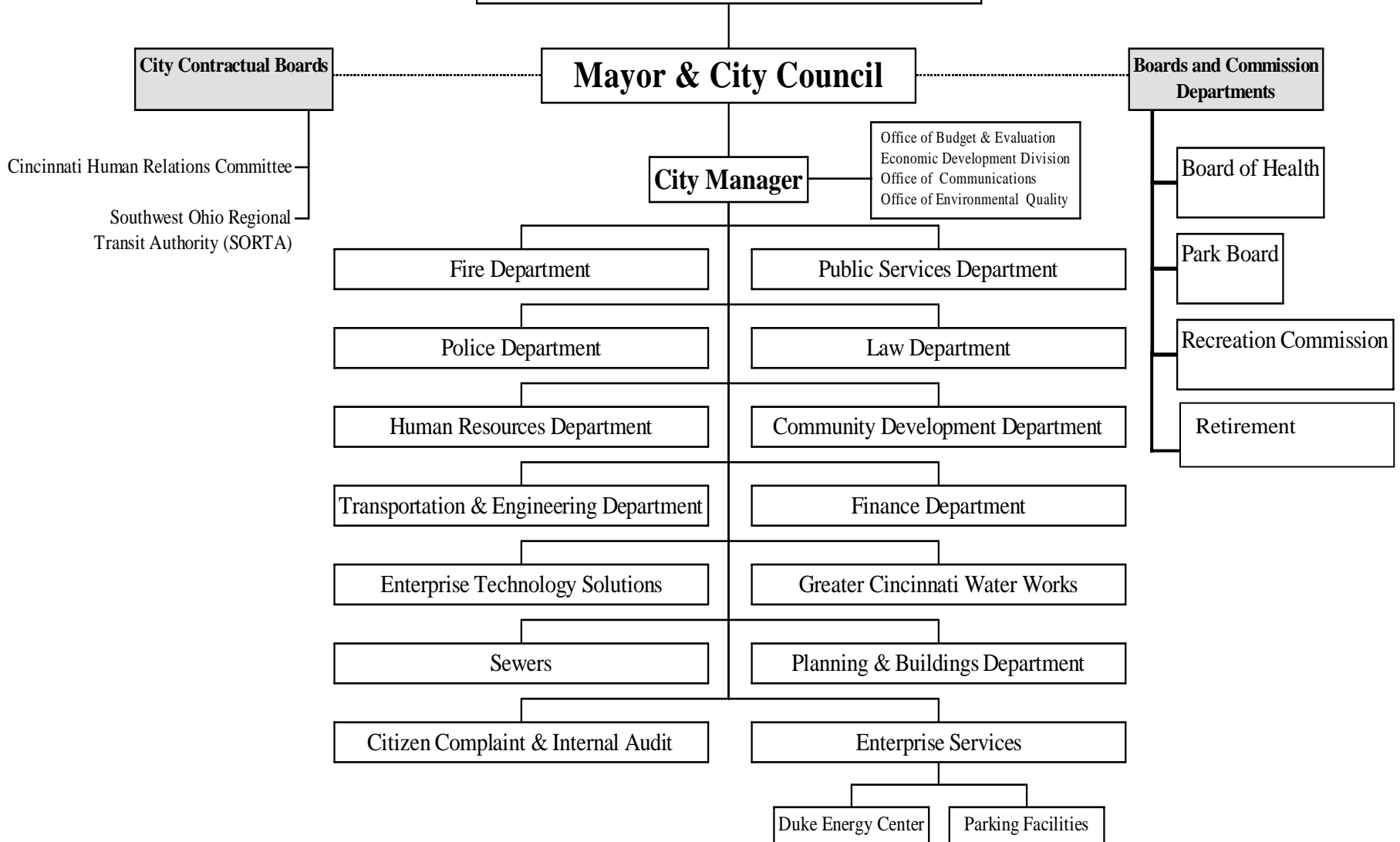
Lea D. Eriksen, Budget Director

To access the Budget on the Internet:  
<http://www.cincinnati-oh.gov/cmgr/pages/-12848/>

# Overview

- City Government Structure
- Budget Development Process
- City All Funds Budget Structure and Basics
- Budget Strategy

# Citizens of Cincinnati



# Budget Development Process

## Biennial Budget Cycle: FY 2013/2014

- Policy and Education Stage (Winter/Spring)
  - Neighborhood Support & Education
    - Neighborhood Summit
  - Community Priority Requests (CPR)
  - Enhanced Citizen Engagement (“The Citizens Budget”)
  - Budget Policy Development Process
    - Identify significant Issues, performance data, and policy framework
- Financial Capacity Stage (Winter/Spring)
  - Demographic/Economic Trends and Outlook
  - Revenue and Expenditure Forecast
  - Identify cost escalators and revenue drivers

# Budget Development Process

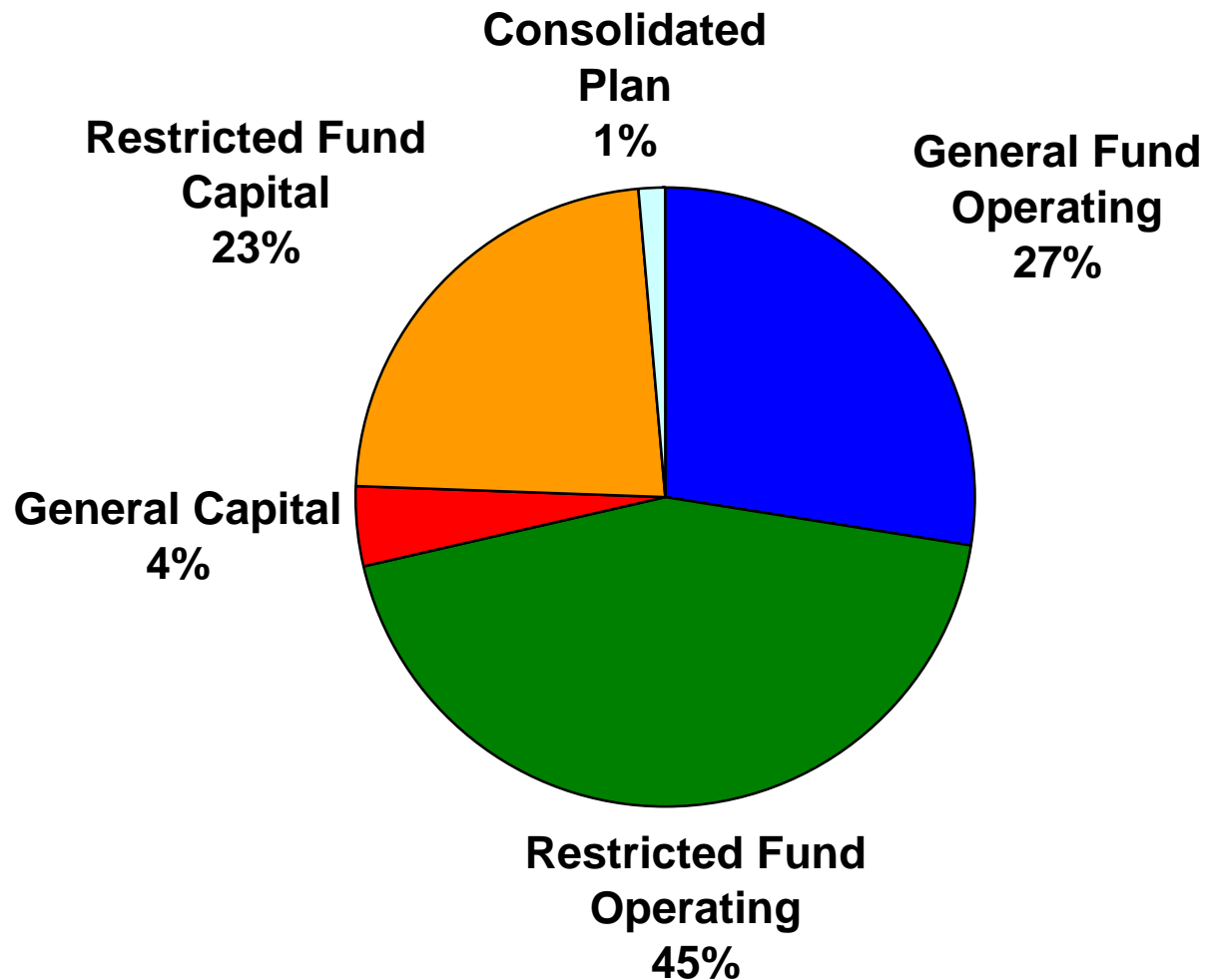
## Biennial Budget Cycle: FY 2013/2014, Cont'd

- Budget Development Stage (Summer/Fall/Winter)
  - Operating, Capital, & Consolidated Plan Development
  - Citizen Review
    - Human Services Advisory Committee, etc.
  - Public Budget Hearings
- Implementation Stage (On-going)
  - Budget Control
  - Budget Amendments

# All Funds 2012 Budget Update - \$1.3 Billion

(\$ in Millions)	2011	2012	2012	From 2011		From 2012	
	Approved Budget	Approved Budget	Approved Update	\$ Change	% Change	\$ Change	% Change
Operating Budget							
General Fund	\$355.9	\$339.1	\$363.7	\$7.8	2.2%	\$24.6	7.3%
Restricted Funds	\$546.1	\$561.5	\$580.0	\$33.9	6.2%	\$18.5	3.3%
Subtotal Operating Budget	<u>\$902.0</u>	<u>\$900.5</u>	<u>\$942.5</u>	<u>\$41.6</u>	<u>4.5%</u>	<u>\$43.1</u>	<u>1.2%</u>
Capital Budget							
General Capital Budget	\$55.8	\$55.5	\$54.8	(\$0.9)	-1.7%	(\$0.7)	-1.2%
Restricted Funds Capital	\$266.0	\$212.9	\$295.4	\$29.4	11.1%	\$82.5	38.8%
Special Revenue/Matching Capital	\$11.5	\$7.2	\$11.3	(\$0.2)	-1.8%	\$4.1	56.9%
Subtotal Capital Budget	<u>\$333.2</u>	<u>\$275.6</u>	<u>\$361.4</u>	<u>\$28.3</u>	<u>8.5%</u>	<u>\$85.9</u>	<u>-33.1%</u>
Consolidated Plan Budget	\$21.3	\$20.3	\$17.7	(\$3.7)	-17.2%	(\$2.7)	-13.2%
Total Budget	<u><u>\$1,256.6</u></u>	<u><u>\$1,196.4</u></u>	<u><u>\$1,321.6</u></u>	<u><u>\$66.3</u></u>	<u><u>5.2%</u></u>	<u><u>\$126.4</u></u>	<u><u>-9.3%</u></u>

# 2012 All Funds Budget - \$1.3 Billion



# Budget Structure

- Operating Budget

- General Fund

Police

Fire

Planning & Buildings

Finance

Human Resources

Public Services

Transportation & Engineering

Health

Enterprise Technology Solutions

Community Development

Parks

Recreation

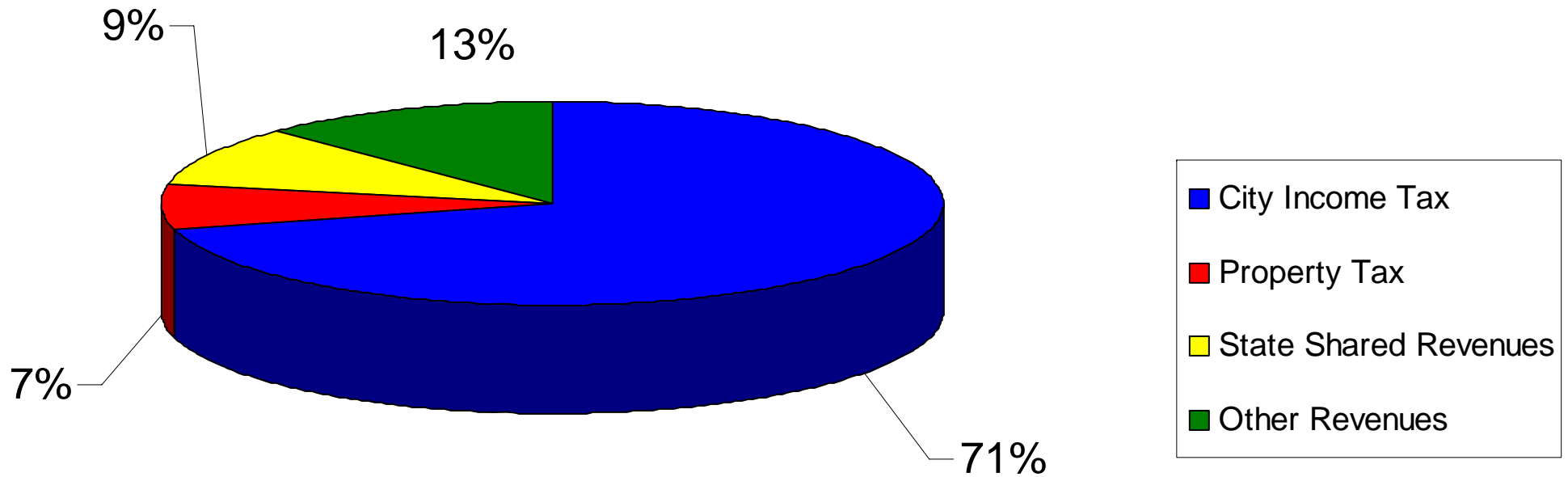
Law

Citizen Complaint & Internal Audit

- Restricted Funds (e.g., water, sewer, parking)



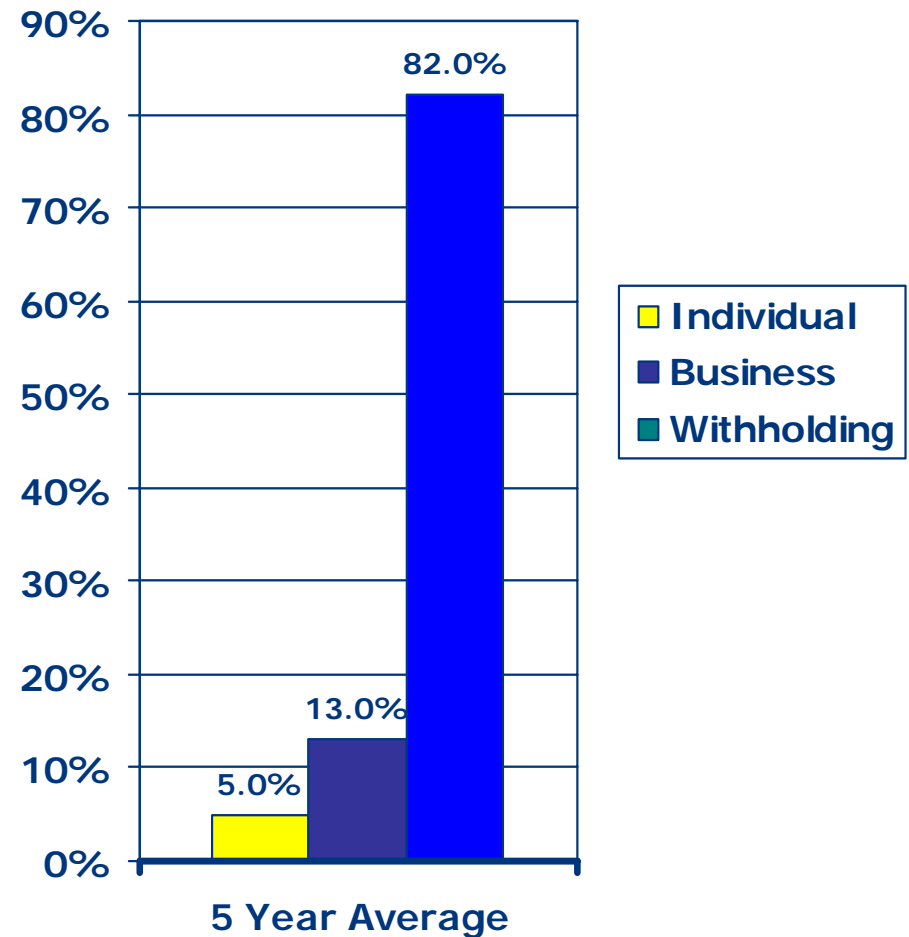
# 2012 General Fund Revenue - \$338.1 Million



# General Fund Revenue

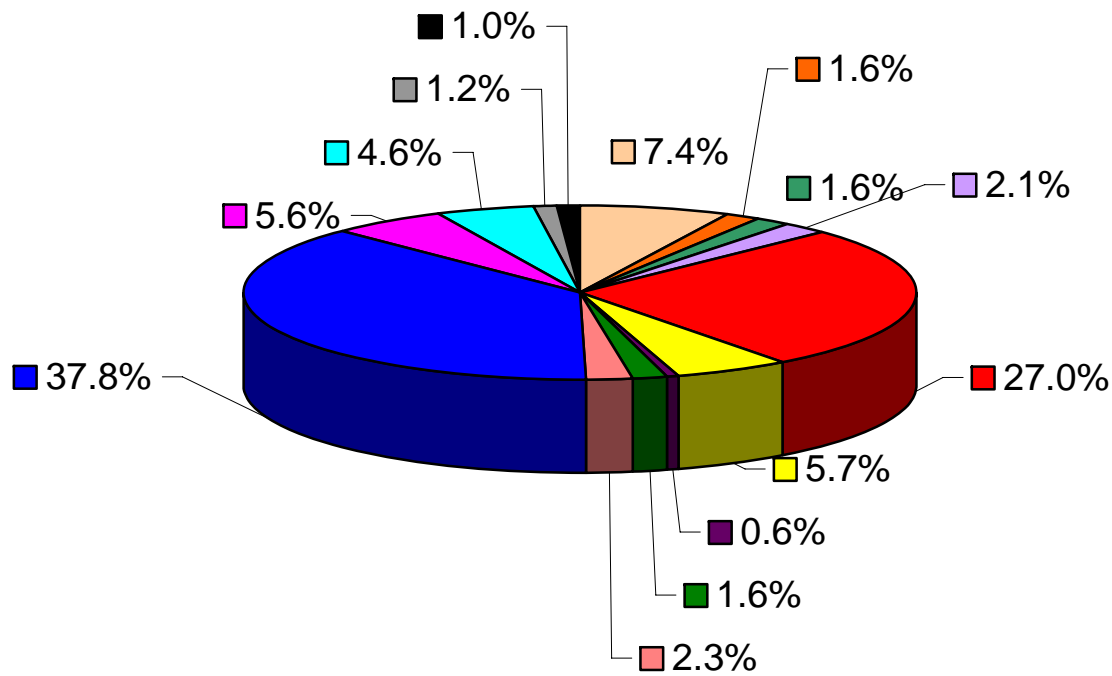
## Income Taxes – 70.9%

- 2.1% of gross salaries, wages, other personal services compensation and business net profits
- All earnings derived in City regardless of residency. Rule is first where you work, then where you live
- By Charter, split as follows:
  - 1.55% General Operating
  - 0.30% Transit
  - 0.15% Capital
  - 0.10% Infrastructure
- General Fund Income Tax: \$239.6 million



# General Fund Expenses

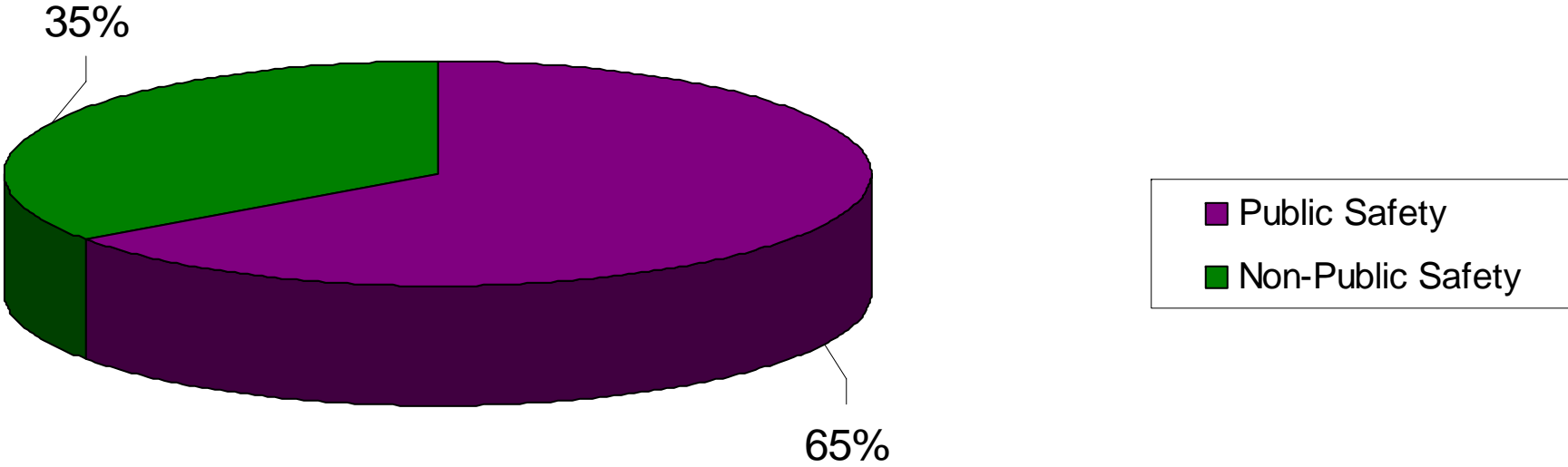
## Departmental Breakout



- All Other
- Planning & Buildings
- Community Development
- Finance
- Fire
- Health
- Human Resources
- Law
- Parks
- Police
- Public Services
- Recreation
- Enterprise Technology Solutions
- Transportation & Engineering

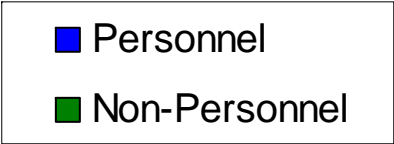
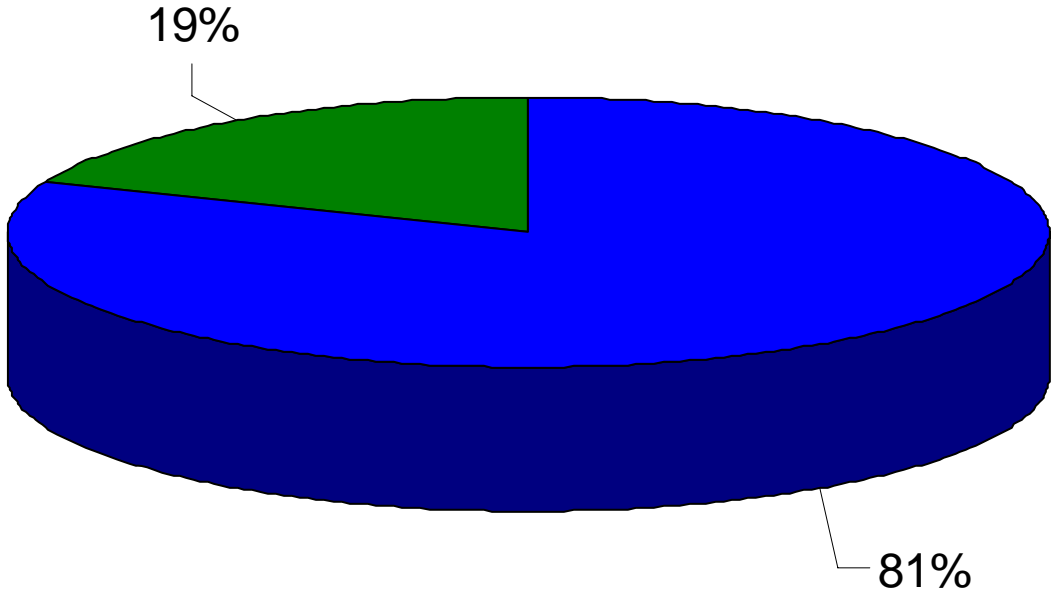
# General Fund Expenses

## Public Safety vs. Non-Public Safety Expenses

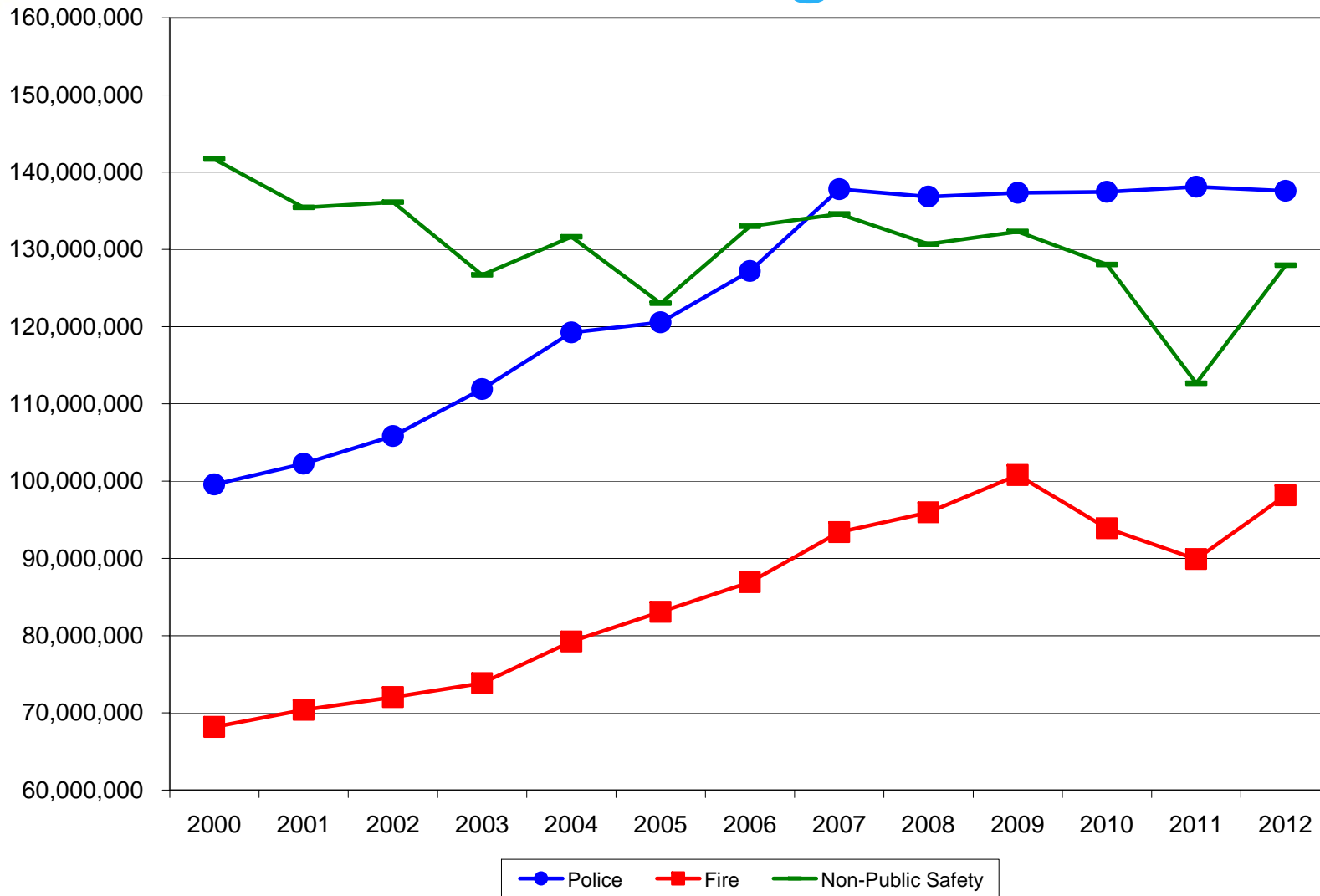


# General Fund Expenses

## Personnel vs. Non-Personnel Expenses



# General Fund Budget Trends



Note: Amounts include Employee Benefits. Non-Public Safety also includes Non-Departmental accounts.

# General Fund Staffing Trends

<i>(in Full-Time Equivalents, FTE)</i>	<b>2000 Approved Budget</b>	<b>2012 Approved Update</b>	<b>FTE Change From 2000 Budget</b>
Public Safety FTE	1,787.0	1,859.0	72.0
Non-Public Safety FTE	<u>2,381.1</u>	<u>1,474.9</u>	<u>-906.2</u>
Total General Fund FTE	4,168.1	3,333.9	-834.2

- Over 1 in 3 Non-Public Safety positions eliminated

# Budget Structure

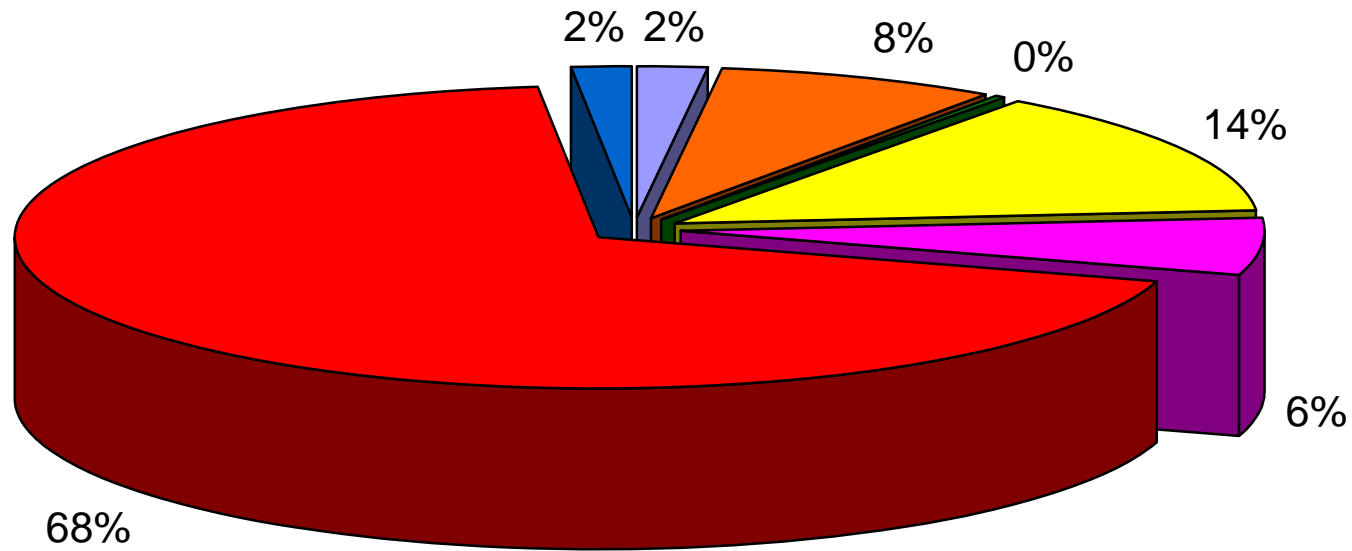
## Capital Budget

By City Charter, General Capital funds are not allowed to be spent on on-going operations.

- Public infrastructure improvements such as:
  - Street Rehabilitation Program
  - Cincinnati Riverfront Park
  - Fleet
  - Police & Fire Stations
- By State Law, Restricted Funds in the Capital Budget may only be spent on items that meet the established purpose of the fund so they cannot be spent on general government purposes.
  - MSD Fund
  - Water Works Fund
  - General Aviation Fund, etc.
- Capital Grants (County State, & Federal) – Restricted to purpose of the grant.



# General Capital Budget



- |  |   |
|--|---|
|  Debt Service Payments              |  Economic Development              |
|  Environment                        |  Equipment                         |
|  Housing & Neighborhood Development |  Infrastructure (Small Commission) |
|  New Infrastructure                 |   |

# Budget Structure

## Consolidated Plan Budget

- The City's Plan For Using Federal Housing and Urban Development (HUD) Funding
  - Community Development Block Grant (CDBG):
    - Housing
    - Economic Development
    - Quality of Life
  - Home Investment Partnerships - Affordable Housing
  - Emergency Shelter Grant - Homeless
  - Housing Opportunities for Persons with Aids (HOPWA)

# Overall Budget Strategy

- Expand the Tax Base
  - Economic Development & Neighborhood Investment as focal points (e.g. GO Cincinnati)
  - Recruit and retain jobs
- Reduce the size of government
  - Early Retirement Incentive (Saved \$10 million)
  - Continued elimination of vacant positions
- Restructure delivery of services for improved efficiency and effectiveness
  - Neighborhood Enhancement Program
  - Reorganized departments focus on excellence
- Enhanced professional development

**Questions?**