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The general fund provides financial support for the city's basic services. Many divisions are funded solely by the general fund, others receive general fund subsidies, and some have multiple funding sources.

Revenues, excluding the unencumbered balance, encumbrance cancellations, and transfers from other funds, are projected at \$918.2 million, a decrease of 4.9 percent from 2021 revenue projections. A description of the major revenue sources of the general fund is provided below, followed by a revenue summary table.

## Income Tax

The primary source of revenue to the general fund is the income tax. Columbus' income tax was first instituted in 1947 at 0.5 percent. Subsequent increases of 0.5 percent occurred in each of the years 1956, 1971, 1982, and 2009. The current income tax rate is 2.5 percent.

The city levies an income tax on all wages, salaries, commissions, other compensation paid to employees, and on net proceeds of business operations in the city. Pursuant to Columbus City Code, Section 361.37, 75 percent of all income tax collections are deposited in the general fund for general fund operations and 25 percent of collections are deposited in a separate fund to service debt on capital improvements.

Approximately 80 percent of income taxes are collected through employer withholdings. Payments are made to the city on a statutorily prescribed basis.

The income tax is the largest source of revenue for general fund operations. In 2022, income tax revenues to the general fund are estimated at \$723.1 million, which is 70 percent of total general fund resources and 79 percent of total general fund revenue. This represents a 6.3 percent reduction from 2021 projections.

## Property Tax

The city annually receives property taxes equal to 3.14 mills of assessed tangible and real property and public utility located in the city. Property taxes are collected by Franklin, Fairfield, and Delaware counties, and are typically remitted to the city on a semi-annual basis. Collections are based on the prior year's assessed valuations, established by state law at 35 percent of appraised market value for real property and at 100 percent of true value for public utility property. Taxes are collected one year in arrears for real property.

Pursuant to Ohio statute and Columbus City Codes, property tax revenue is used for three purposes: certain debt service requirements, partial payment of police and fire pension costs,

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## General Fund Summary

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and general fund operations. State law requires that the first two obligations be met before property tax revenue can be deposited into the general fund for general operations. Because the city pays debt service on non-enterprise capital improvements from the special income tax (SIT) fund, property tax revenues are deposited directly in the general fund. The 2022 estimate for property tax collections is \$68.9 million, an increase of 14.6 percent over the 2021 projection.



### Hotel/Motel Tax

During 2014, Columbus City Code, Section 371.02, was amended and as a result, the general fund no longer receives a deposit from hotel/motel taxes. The 2021 and 2022 projections for general fund hotel/motel tax receipts are \$0.

### Kilowatt-Hour Tax

Beginning in 2001, a tax was levied on users of electricity provided by the Division of Electricity. Known as the kilowatt-hour (KWH) tax, state statutes allow that funds collected from users located within the city be deposited into the city's general fund. These revenues are estimated at \$3.3 million for 2022.

### Casino Tax

In 2009, a constitutional amendment was passed in Ohio, allowing for casinos in four Ohio cities (Columbus, Cincinnati, Cleveland, and Toledo). In 2012, as casinos opened in the State of Ohio, the state began collecting taxes on casino revenues. The city receives a portion of revenue from the gross casino revenue county fund and the gross casino revenue host city fund. After moneys are set aside for Nationwide Arena and debt service, the balance of

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revenue received will be deposited into the general fund. The \$7.0 million estimate for the 2022 general fund deposit for casino tax revenues is just slightly lower than the 2021 projection.

## **Shared Revenues**

Local government fund (LGF) revenues represent portions of various State of Ohio taxes which are shared with local governments within the state. The local community funds, formerly known as the local government fund, and the local government revenue assistance fund are now combined as the local community funds from the State of Ohio. This category also includes the city's share of any residual estate taxes and other smaller taxes. Total revenues are projected at \$25.1 million in 2022, a 6.6 percent increase from projected 2021 revenues.

## **Fines and Penalties**

The City of Columbus receives 100 percent of all municipal court costs and fines assessed in cases initiated by the city (excluding those that have been earmarked for special purposes such as computerization of court functions), as well as fines assessed for traffic violations. In 2022, fines assessed for parking violations will be moved to the newly created mobility enterprise fund. In addition, the city receives a percentage of court costs and fines assessed in cases initiated by the state, county, or other municipalities and tried in the Franklin County Municipal Court. Due to the loss in parking ticket fines, revenues from fines and penalties are projected at \$7.7 million in 2022, a 39.8 percent decrease from 2021 collections.

## **Charges for Service**

Sources of revenue in this category include pro rata charges, third party reimbursements for emergency medical services, parking meter revenues and other parking charges, and revenue from various divisions that charge for services. These include auto impounding fees, sales of impounded autos, certain fire protection and dispatching service charges, and revenue from the collection of income taxes and prosecution services for other municipalities and villages. Total revenues from charges for services are projected at \$62.0 million in 2021, a 0.5 percent decrease from 2021 estimates.

Pursuant to Ordinance 2293-2018, all independent funds of the city are assessed an administrative service charge of 4.5 percent of revenues, the proceeds of which are deposited into the general fund. This charge, referred to as "pro rata", represents a fee for certain services performed by administrative divisions for enterprise, special revenue, grant, and internal service divisions for which no specific service charge is assessed. Services include, but are not limited to, debt administration and budget preparation provided by the Finance and Management Department, legal services provided by the City Attorney, financial reporting and assistance provided by the City Auditor, and maintenance and cleaning services provided by the Division of Facilities Management.

## **Investment Earnings**

Investment earnings are deposited into the fund in which they were earned. The Treasury Investment Board, consisting of the City Treasurer, City Auditor, and the Director of Finance and Management, is responsible for investing the city's liquid assets. To ensure the credit-worthiness of the investment of public moneys, federal statutes restrict municipal investment to U.S. government securities, bank certificates of deposit, and repurchase agreements. General fund investment earnings are projected to yield \$8.0 million in 2022, a 7.8 percent decrease from 2021 estimates.

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### License and Permit Fees

This category consists primarily of cable communications fees and fees charged by the Department of Public Safety for the issuance and enforcement of City of Columbus licenses and permits. The city charges cable companies a service permit fee for the ability to operate a cable system in the City of Columbus, equal to five percent of cable operator gross revenues. Fees in this category are estimated at \$11.0 million in 2022, of which Cable TV permits are expected to be approximately \$9.0 million.

### Other Revenue

This category includes various unclaimed funds, refunds, and miscellaneous revenue. The 2022 estimate is \$2.2 million.

### Encumbrance Cancellations

These funds represent moneys set aside in prior fiscal years for expenditures that subsequently were not made. Funds can then be made available for use through the cancellation of encumbrances. The estimate for 2022 is \$5.0 million.

### Other Miscellaneous Transfers

The basic city services fund was established in 2012 to meet future budget needs due to reductions in the state local government fund and estate tax revenue. A transfer of \$50.9 million from the basic city services fund into the general fund will occur in 2022.

The reimagine safety subfund was established in 2021 with a \$10 million transfer from the basic city services fund. A transfer from the reimagine safety subfund of \$6.0 million into the general fund is projected for 2022.



**GENERAL FUND  
REVENUE BY SOURCE AND YEAR  
HISTORICAL AND PROJECTED  
2018 - 2022**

	2018		2019		2020		2021		2022		2022
	PERCENT		PERCENT		PERCENT		PERCENT		PERCENT		PERCENT
<b>SOURCE</b>	<b>ACTUAL</b>	<b>CHANGE</b>	<b>ACTUAL</b>	<b>CHANGE</b>	<b>ACTUAL</b>	<b>CHANGE</b>	<b>PROJECTED</b>	<b>CHANGE</b>	<b>PROJECTED</b>	<b>CHANGE</b>	<b>OF TOTAL</b>
Income Tax	\$ 668,685,419	1.80%	\$ 706,085,907	5.59%	\$ 699,560,529	(0.92%)	\$ 772,037,000	10.36%	\$ 723,071,000	(6.34%)	69.93%
Property Tax	49,246,740	10.15%	50,390,381	2.32%	49,377,900	(2.01%)	60,170,000	21.86%	68,923,000	14.55%	6.67%
Kilowatt Hour Tax	3,320,402	13.89%	3,369,256	1.47%	3,192,372	(5.25%)	3,250,000	1.81%	3,250,000	0.00%	0.31%
Hotel/Motel Tax	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
<b>TOTAL TAXES</b>	<b>721,252,561</b>	<b>2.38%</b>	<b>759,845,544</b>	<b>5.35%</b>	<b>752,130,801</b>	<b>(1.02%)</b>	<b>835,457,000</b>	<b>11.08%</b>	<b>795,244,000</b>	<b>(4.81%)</b>	<b>76.91%</b>
Local Government Fund	19,891,400	1.72%	21,232,931	6.74%	21,076,556	(0.74%)	23,211,000	10.13%	22,754,000	(1.97%)	2.20%
Estate Tax	-	(100.00%)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Liquor Permit Fee, Other	1,336,345	2.14%	1,295,038	(3.09%)	1,195,370	(7.70%)	313,000	(73.82%)	2,333,000	645.37%	0.23%
Casino Tax	6,943,951	3.11%	7,100,147	2.25%	5,385,492	(24.15%)	7,021,000	30.37%	7,000,000	(0.30%)	0.68%
<b>TOTAL SHARED REVENUE</b>	<b>28,171,696</b>	<b>2.00%</b>	<b>29,628,116</b>	<b>5.17%</b>	<b>27,657,418</b>	<b>(6.65%)</b>	<b>30,545,000</b>	<b>10.44%</b>	<b>32,087,000</b>	<b>5.05%</b>	<b>3.10%</b>
License and Permit Fees	11,929,719	2.83%	12,106,082	1.48%	9,758,763	(19.39%)	9,641,000	(1.21%)	11,016,000	14.26%	1.07%
Fines and Penalties	18,478,699	(0.92%)	18,921,231	2.39%	11,612,764	(38.63%)	12,738,000	9.69%	7,663,000	(39.84%)	0.74%
Investment Earnings	12,240,506	39.22%	21,145,912	72.75%	18,975,693	(10.26%)	8,675,000	(54.28%)	8,000,000	(7.78%)	0.77%
Charges for Service	65,689,652	0.80%	65,365,937	(0.49%)	60,886,060	(6.85%)	62,299,000	2.32%	61,962,000	(0.54%)	5.99%
All Other	3,083,164	28.21%	2,596,250	(15.79%)	83,613,669	3120.56%	5,671,000	(93.22%)	2,215,000	(60.94%)	0.21%
<b>TOTAL OTHER REVENUES</b>	<b>111,421,740</b>	<b>4.51%</b>	<b>120,135,412</b>	<b>7.82%</b>	<b>184,846,949</b>	<b>53.87%</b>	<b>99,024,000</b>	<b>(46.43%)</b>	<b>90,856,000</b>	<b>(8.25%)</b>	<b>8.79%</b>
<b>TOTAL ALL REVENUES</b>	<b>860,845,997</b>	<b>2.63%</b>	<b>909,609,072</b>	<b>5.66%</b>	<b>964,635,168</b>	<b>6.05%</b>	<b>965,026,000</b>	<b>0.04%</b>	<b>918,187,000</b>	<b>(4.85%)</b>	<b>88.80%</b>
Encumbrance Cancellations	8,090,989	26.93%	9,995,846	23.54%	3,800,071	(61.98%)	5,000,000	31.58%	5,000,000	0.00%	0.48%
Unencumbered Balance	17,670,166	(41.50%)	16,170,687	(8.49%)	40,795,387	152.28%	78,259,958	91.84%	48,937,000	(37.47%)	4.73%
Fund Transfers	3,833,900	(11.00%)	3,361,411	(12.32%)	3,041,291	(9.52%)	5,000,000	64.40%	5,000,000	0.00%	0.48%
Other Misc. Transfers	16,784,000	N/A	12,962,619	(22.77%)	-	(100.00%)	4,000,000	N/A	56,876,000	1321.90%	5.50%
Total Annual Resources	907,225,051	3.14%	952,099,635	4.95%	1,012,271,917	6.32%	1,057,285,958	4.45%	1,034,000,000	(2.20%)	100.00%
27th Pay Period Reserve Fund	22,596,786	12.21%	25,129,786	11.21%	3,266,058	(87.00%)	5,953,058	82.27%	8,721,058	46.50%	
Economic Stabilization Fund	76,180,089	3.02%	80,655,018	5.87%	85,158,273	5.58%	87,878,948	3.19%	89,578,948	1.93%	
<b>TOTAL GENERAL FUND</b>											
<b>AVAILABLE RESOURCES</b>	<b>\$1,006,001,926</b>	<b>3.31%</b>	<b>\$ 1,057,884,439</b>	<b>5.16%</b>	<b>\$1,100,696,248</b>	<b>4.05%</b>	<b>\$1,151,117,964</b>	<b>4.58%</b>	<b>\$ 1,132,300,006</b>	<b>(1.63%)</b>	





## **Expenditures and Personnel**

The following tables provide summary detail on general fund expenditures and personnel levels:

## General Fund Summary

GENERAL FUND 2022 PROPOSED BUDGET SUMMARY BY AREA OF EXPENSE							
Department/Division	Personnel	Materials	Services	Other	Capital	Transfers	Totals
City Council	\$ 4,923,653	\$ 27,000	\$ 172,959	\$ 3,000	\$ -	\$ -	\$ 5,126,612
<u>City Auditor</u>							
City Auditor	4,313,631	30,500	877,218	1,000	-	-	5,222,349
Income Tax	8,765,850	78,500	1,145,468	500	-	-	9,990,318
Total	13,079,481	109,000	2,022,686	1,500	-	-	15,212,667
City Treasurer	1,156,771	6,700	339,178	-	-	-	1,502,649
<u>City Attorney</u>							
City Attorney	13,239,428	90,500	404,288	3,000	-	98,491	13,835,707
Real Estate	171,489	-	-	-	-	-	171,489
Total	13,410,917	90,500	404,288	3,000	-	98,491	14,007,196
Municipal Court Judges	18,637,072	119,712	2,256,457	-	33,992	490,000	21,537,233
Municipal Court Clerk	11,896,414	140,834	858,521	-	-	-	12,895,769
Civil Service	4,042,458	53,053	917,906	3,500	-	-	5,016,917
<u>Public Safety</u>							
Administration	7,520,203	10,367	5,395,951	150	-	-	12,926,671
Support Services	17,649,556	489,175	3,768,772	5,800	-	-	21,913,303
Police	329,018,977	6,299,082	18,621,518	255,000	-	-	354,194,577
Fire	255,495,216	5,512,454	12,329,262	125,000	-	-	273,461,932
Total	609,683,952	12,311,078	40,115,503	385,950	-	-	662,496,483
<u>Office of the Mayor</u>							
Mayor	4,059,800	18,000	250,200	2,000	-	-	4,330,000
Office of Diversity & Inclusion	1,604,558	8,000	297,625	-	-	-	1,910,183
Office of CelebrateOne	1,058,563	5,000	314,508	-	-	-	1,378,071
Office of Education	317,008	7,000	9,143,353	-	-	-	9,467,361
Total	7,039,929	38,000	10,005,686	2,000	-	-	17,085,615
Inspector General	929,465	50,000	53,137	-	-	-	1,032,602
<u>Building and Zoning Services</u>							
Building & Zoning	282,216	-	-	-	-	-	282,216
Code Enforcement	6,546,113	72,891	737,920	9,000	-	-	7,365,924
Total	6,828,329	72,891	737,920	9,000	-	-	7,648,140
<u>Development</u>							
Administration	3,416,149	13,000	3,800,012	151,000	-	-	7,380,161
Econ. Development	1,792,900	6,343	3,076,227	1,000	-	-	4,876,470
Planning	1,943,537	7,200	68,360	1,000	-	-	2,020,097
Housing	2,319,397	20,500	5,791,754	11,000	-	-	8,142,651
Land Redevelopment	586,101	-	1,000	-	-	-	587,101
Total	10,058,084	47,043	12,737,353	164,000	-	-	23,006,480
<u>Finance and Management</u>							
Finance Administration	3,170,563	49,300	2,927,564	-	-	-	6,147,427
Financial Management	3,156,493	14,000	1,175,607	-	-	-	4,346,100
Facilities Management	8,969,759	907,500	9,536,034	3,000	-	-	19,416,293
Total	15,296,815	970,800	13,639,205	3,000	-	-	29,909,820
Finance City-wide	-	-	-	-	-	55,000,240	55,000,240
Finance Technology (Pays gf agency bills)	-	-	23,602,525	-	-	-	23,602,525
Human Resources	1,843,035	44,931	1,280,746	-	-	-	3,168,712
Neighborhoods	5,206,481	50,500	3,564,139	1,500	-	52,500	8,875,120
Health	-	-	-	-	-	30,803,453	30,803,453
Recreation and Parks	-	-	-	-	-	45,173,881	45,173,881
<u>Public Service</u>							
Administration	727,694	-	13,081	-	-	-	740,775
Refuse Collection	16,891,949	157,400	17,361,762	62,000	15,684,000	-	50,157,111
Total	17,619,643	157,400	17,374,843	62,000	15,684,000	-	50,897,886
<b>Total General</b>							
<b>Operating Fund</b>	<b>\$ 741,652,499</b>	<b>\$ 14,289,442</b>	<b>\$ 130,083,052</b>	<b>\$ 638,450</b>	<b>\$ 15,717,992</b>	<b>\$ 131,618,565</b>	<b>\$ 1,034,000,000</b>

## General Fund Summary

GENERAL FUND EXPENDITURE AND BUDGET SUMMARY					
	2019 Actual	2020 Actual	2021 Budgeted	2021 Projected	2022 Proposed
City Council	\$ 4,531,498	\$ 4,860,945	\$ 4,983,081	\$ 4,986,103	\$ 5,126,612
City Auditor					
City Auditor	4,361,151	4,654,518	4,789,735	4,691,593	5,222,349
Income Tax	8,665,193	8,233,436	9,814,679	8,138,456	9,990,318
Total	13,026,344	12,887,955	14,604,414	12,830,049	15,212,667
City Treasurer	1,330,170	1,187,272	1,459,566	1,322,562	1,502,649
City Attorney					
City Attorney	13,390,639	13,587,329	13,440,669	13,536,151	13,835,707
Real Estate	143,999	165,982	167,293	167,069	171,489
Total	13,534,638	13,753,311	13,607,962	13,703,219	14,007,196
Municipal Court Judges	19,454,642	20,175,534	20,429,897	21,213,928	21,537,233
Municipal Court Clerk	12,532,476	12,175,332	12,467,435	12,285,114	12,895,769
Civil Service	4,451,752	4,223,590	4,557,037	4,478,396	5,016,917
Public Safety					
Administration	12,076,011	8,151,062	12,651,312	9,175,125	12,926,671
Support Services	7,065,278	6,789,208	20,476,888	18,582,804	21,913,303
Police	345,915,936	350,060,990	336,846,128	380,761,721	354,194,577
Fire	265,671,581	234,316,471	265,484,193	275,688,274	273,461,932
Total	630,728,806	599,317,731	635,458,521	684,207,924	662,496,483
Office of the Mayor					
Mayor	4,238,911	4,051,659	4,024,979	3,785,435	4,330,000
Office of Diversity & Inclusion	1,093,943	1,445,603	1,859,993	1,631,724	1,910,183
Office of CelebrateOne*	-	-	770,400	591,309	1,378,071
Office of Education	6,506,688	6,070,004	6,594,143	8,559,716	9,467,361
Total	11,839,542	11,567,266	13,249,515	14,568,184	17,085,615
Inspector General	-	-	-	51,812	1,032,602
Building and Zoning Services					
Building & Zoning	-	-	-	66,343	282,216
Code Enforcement*	-	-	-	1,779,874	7,365,924
Total	-	-	-	1,846,217	7,648,140
Development					
Administration	5,996,752	5,822,406	8,213,903	10,041,187	7,380,161
Economic Development	16,842,242	16,101,945	4,465,871	17,957,600	4,876,470
Code Enforcement*	7,629,505	8,275,537	8,594,330	6,357,206	-
Planning	1,833,809	1,511,359	1,681,524	1,745,401	2,020,097
Housing	6,720,579	7,603,663	7,587,698	7,936,182	8,142,651
Land Redevelopment	652,196	570,012	855,053	811,896	587,101
Total	39,675,082	39,884,921	31,398,379	44,849,472	23,006,480
Finance and Management					
Finance Administration	5,725,328	4,923,156	5,610,902	5,492,735	6,147,427
Financial Management	4,825,625	3,487,375	4,436,976	4,786,964	4,346,100
Facilities Management	17,208,761	17,613,290	17,725,166	17,648,650	19,416,293
Total	27,759,714	26,023,821	27,773,044	27,928,349	29,909,820
Citywide Technology	17,923,207	19,829,386	27,926,987	26,478,591	23,602,525
Finance City-wide	9,572,346	68,340,251	40,744,028	23,494,555	55,000,240
Human Resources	2,935,813	2,979,302	3,082,605	2,971,127	3,168,712
Neighborhoods	5,090,844	5,089,753	8,377,689	7,983,088	8,875,120
Health	24,597,885	17,216,803	32,953,181	29,963,189	30,803,453
Recreation and Parks	40,366,310	42,005,613	42,562,142	40,042,730	45,173,881
Public Service					
Administration	667,983	648,750	740,614	740,343	740,775
Refuse Collection	31,285,199	31,844,422	33,887,861	32,404,437	50,157,111
Traffic Management	-	-	-	-	-
Total	31,953,182	32,493,172	34,628,475	33,144,780	50,897,886
<b>Total General Operating Fund</b>	<b>\$ 911,304,249</b>	<b>\$ 934,011,958</b>	<b>\$ 970,263,958</b>	<b>\$ 1,008,349,390</b>	<b>\$ 1,034,000,000</b>

\*The Office of CelebrateOne was formally established during 2021. Budgets prior to 2022 reflect CelebrateOne programming within the Mayor's budget. In 2021, the Division of Code Enforcement transferred from the Department of Development to the Department of Building and Zoning Services during the year.



**GENERAL FUND PERSONNEL SUMMARY -- FULL-TIME**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Proposed</b>
City Council	41	42	43	44
City Auditor				
City Auditor	31	31	32	35
Income Tax	70	66	84	84
Total	101	97	116	119
City Treasurer	8	8	9	9
City Attorney				
City Attorney	124	124	128	128
Real Estate	1	1	1	1
Total	125	125	129	129
Municipal Court Judges	200	194	216	220
Municipal Court Clerk	156	152	165	166
Civil Service	36	32	36	37
Public Safety				
Administration	10	12	64	68
Support Services	39	38	189	193
Police- Non Uniformed	354	350	231	252
Police- Uniformed	1,969	1,947	1,969	1,936
Fire- Non Uniformed	49	50	43	50
Fire- Uniformed	1,602	1,592	1,602	1,637
Total	4,023	3,989	4,098	4,136
Office of the Mayor				
Mayor	28	27	22	27
Office of Diversity and Inclusion*	8	9	14	14
Office of CelebrateOne	-	-	9	9
Office of Education	2	2	4	2
Total	38	38	49	52
Inspector General	0	0	0	10
Building and Zoning Services				
Building & Zoning	0	0	0	3
Code Enforcement	0	0	0	83
Total	0	0	0	86
Development				
Administration	22	20	25	25
Economic Development	14	15	15	15
Code Enforcement	78	75	84	-
Planning	14	16	17	20
Housing	18	17	19	24
Land Redevelopment	6	6	9	6
Total	152	149	169	89
Finance and Management				
Administration	25	28	30	31
Financial Management	27	23	27	28
Facilities Management	87	89	94	107
Total	139	140	151	166
Human Resources	14	15	15	14
Neighborhoods	42	42	48	52
Public Service				
Administration	6	6	6	6
Refuse Collection	192	180	226	226
Total	198	186	232	232
<b>Total General Fund</b>	<b>5,273</b>	<b>5,209</b>	<b>5,476</b>	<b>5,561</b>

The numbers represented in the 2018 and 2019 columns are year-end actuals, while 2020 and 2021 are budgeted.  
 \*2019 Actual includes 2 positions funded by the Department of Public Utilities.

To: Mayor Andrew J. Ginther  
Columbus City Councilmembers  
City Attorney Zach Klein

From: City Auditor Megan Kilgore

Date: October 21, 2021

## 2022 OFFICIAL REVENUE ESTIMATE

Dear Colleagues:

Historically, our revenue estimates have been built upon multi-year analyses and largely predictable trend data. The last two years have been extraordinary; we've often had to deal with more uncertainty than certainty. This 2022 Official Revenue Estimate is no different. There are four evolving factors that will impact our revenue in 2022:

1. Remote Work and Its Effect on the City's Income Tax Revenues
2. Ongoing COVID-19 Recovery
3. Economic Growth
4. Income Tax Refunds Due to Remote Work in 2021

Remote work remains the largest risk to this Revenue Estimate. We conducted extensive economic and behavioral analyses, created models, and conducted surveys — all seeking to quantify the possibilities, as well as probabilities, of remote work as pertinent to the City's income tax collections. We have included detail regarding this research within — see the NOTES to this Revenue Estimate.

General Fund revenues (including transfers in) for 2022 are forecasted to be \$929.187 million, a decrease of 3.21% as compared to the 2021 Revenue Estimate (2<sup>nd</sup> Revision) dated July 23, 2021. We will closely monitor the actual impacts to revenues in the first quarter of 2022 and will update projections as needed.

We endeavored to provide a lot of useful information in the ensuing document. Please contact me with any follow-up questions.



Megan N. Kilgore  
City Auditor



October 21, 2021

**2022 Official Revenue Estimate**

Per the Charter of the City of Columbus, the Mayor's estimate of the expense of conducting the affairs of the City for the following fiscal year shall be submitted to City Council on or before the fifteenth day of November in each year. The estimate shall be compiled from certain information obtained from various city departments, including a statement from the City Auditor of the total probable revenue for the period covered by the Mayor's estimate. This statement shall serve as the City Auditor's Statement of Available Resources for Fiscal Year 2022.

**Statement of Estimated Available Resources**

	Original Estimate
<i>ESTIMATED GENERAL OPERATING FUND REVENUE:</i>	
Income taxes	\$723,071,000
Property taxes	68,923,000
Investment earnings	8,000,000
Licenses and permits fees	11,016,000
Shared revenue	32,087,000
Charges for services	61,962,000
Fines and forfeits	7,663,000
Miscellaneous revenue	5,465,000
TOTAL ESTIMATED RESOURCES FROM REVENUE	\$918,187,000
TOTAL TRANSFERS IN [includes \$6 million transfer in from 1000-100019]	11,000,000
TOTAL ESTIMATED RESOURCES AND TRANSFERS	\$929,187,000
Estimated prior year encumbrance cancellations	5,000,000
Estimated 2021 Year End Fund Balance	48,937,000
<b>TOTAL ESTIMATED AVAILABLE RESOURCES GENERAL OPERATING FUND</b>	<b>\$983,124,000</b>
<i>UNENCUMBERED CASH AVAILABLE IN OTHER GENERAL FUND SUBFUNDS:</i>	
Estimated Unencumbered Cash – JOB GROWTH [100015]	\$2,180,000
Estimated Unencumbered Cash – PUBLIC SAFETY INITIATIVE [100016]	495,000
Estimated Unencumbered Cash – BASIC CITY SERVICES [100017]	60,845,000
Estimated Unencumbered Cash – NEIGHBORHOOD INITIATIVE [100018]	3,195,000
<b>TOTAL ESTIMATED AVAILABLE RESOURCES</b>	<b>\$1,049,839,000</b>

This estimate includes a decrease in 2022 income tax revenue of 3.96% as compared to the 2021 revised estimate of income tax of \$752.880 million. The 2022 estimate of total resources is \$60.2 million or 5.77% lower than the 2021 revised estimate.





In addition to the total resources estimated for the General Operating Fund, there is an estimated \$66.715 million in unencumbered cash in other General Fund subfunds, which could be transferred to the General Operating Fund to cover the cost of basic city services. If the encumbered balances in these General Fund subfunds were transferred to the General Operating Fund, total estimated available resources would be \$1.050 billion for 2022.

See “Notes to the City Auditor’s Statement of Estimated Available Resources” for additional information.

**CITY OF COLUMBUS, OHIO**  
**NOTES TO THE CITY AUDITOR'S STATEMENT OF 2022 ESTIMATED AVAILABLE RESOURCES**  
**GENERAL OPERATING FUND**

**NOTE 1 – GENERAL OPERATING FUND RESOURCES**

The 2022 General Operating Fund total estimated *revenues* for the City of Columbus (“City”) are approximately \$918 million. The revenue is generated through income tax, property tax, licenses and permit fees, fine, forfeitures, and penalties, investment earnings, charges for services, shared revenue, and miscellaneous revenue.

Total 2022 estimated *resources* for the General Operating Fund, which include revenues, transfers in, estimated cancellations of prior year encumbrances and the estimated year-end cash balance at December 30, 2021 are \$983 million.

Total estimated revenues for 2022 decreased \$27.8 million or 2.94% as compared to the revised estimated revenues for 2021 of \$946 million. Total estimated resources for 2022 represent a \$60.2 million or 5.77% decrease as compared to the estimated total resources for 2021 of \$1.043 billion. The table below displays the total amount of estimated revenue attributable to each revenue category for both 2022 and 2021 and the actual revenue collected for 2020.

(\$ in thousands)

Revenue Categories	2020		2021		2022	
	Actual	% to Total	Revised Estimate	% to Total	Original Estimate	% to Total
Income Taxes	\$699,560	72.5%	\$752,880	79.6%	\$723,071	78.8%
Property Taxes	49,378	5.1%	57,765	6.1%	68,923	7.5%
License and Permit Fees	9,759	1.0%	11,641	1.2%	11,016	1.2%
Fines, Forfeitures, and Penalties	11,613	1.2%	14,738	1.6%	7,663	0.8%
Investment Earnings	18,976	2.0%	8,675	0.9%	8,000	0.9%
Charges for Service	60,886	6.3%	62,299	6.6%	61,962	6.7%
Shared Revenue	27,657	2.9%	29,107	3.1%	32,087	3.5%
Miscellaneous Revenue	86,806	9.0%	8,921	0.9%	5,465	0.6%
Resources from Revenue	\$964,635	100.0%	\$946,026	100.0%	\$918,187	100.0%

**NOTE 2 – INCOME TAX REVENUE**

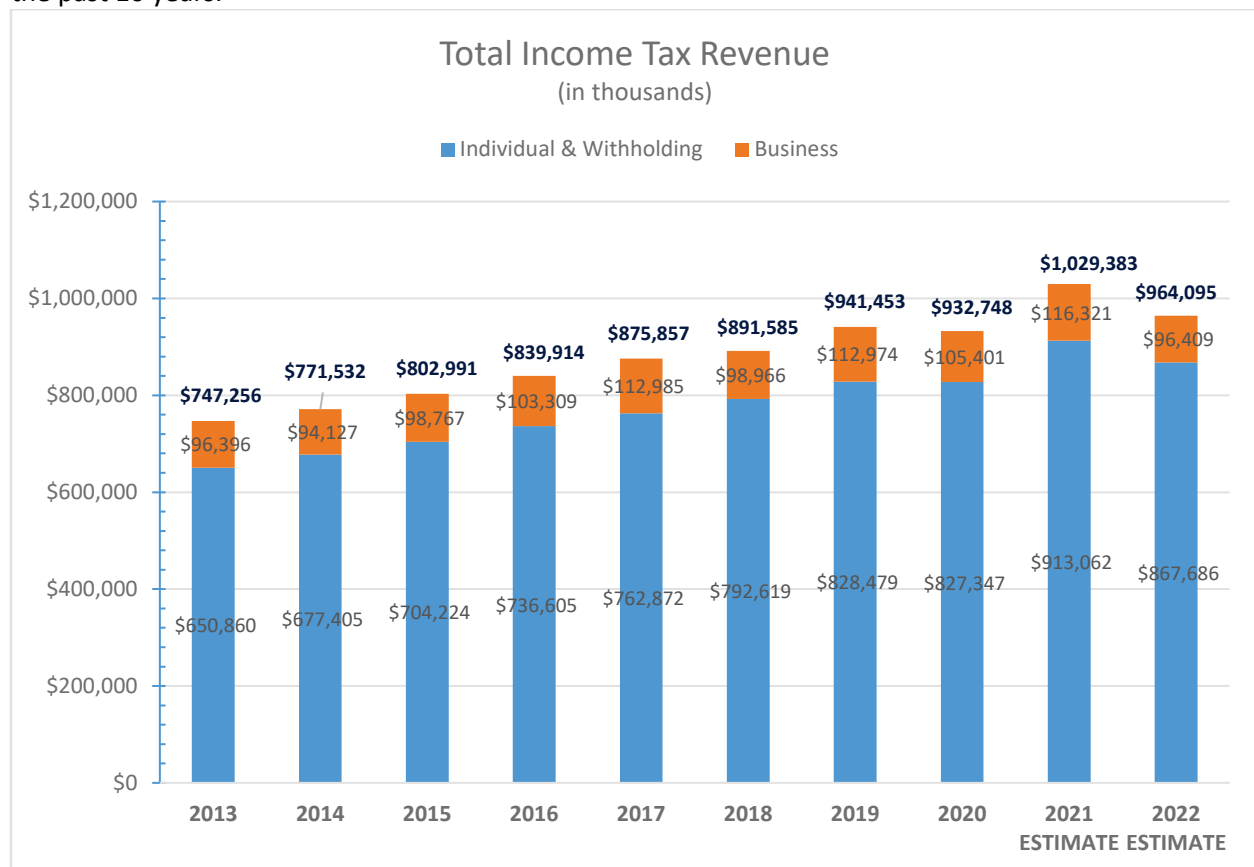
Income tax revenue represents approximately 79% of total General Fund revenues for 2022.

The Columbus economy continues to rebound from one of the most dramatic crises in our history. After initially falling at unprecedented rates in the early stages of the pandemic, the City’s total income tax collections have roared back, even while the recovery has been partial. At the end of September 2021, income tax collections were 12.25% over September 2020. Withholdings, the largest portion of income taxes, are presently 7.5% higher than the same period in 2020. Corporate net profits, which represent approximately 15% of income tax revenue through September 2021, have increased 51.86% over the same period in 2020.

**CITY OF COLUMBUS, OHIO**  
**NOTES TO THE CITY AUDITOR'S STATEMENT OF 2022 ESTIMATED AVAILABLE RESOURCES**  
**GENERAL OPERATING FUND**

Total income tax revenues for 2022, after providing for refunds to taxpayers, are estimated at \$964.095 million. One fourth of the collections will be deposited into a debt service fund, more commonly known as the "Special Income Tax Fund." The remaining three fourths of the collections, approximately \$723.071 million, will be deposited in the City's General Operating Fund. The City's current income tax rate is 2.5%, which is levied on all wages, salaries, commissions, other compensation paid to employees, and on net profits of business operations in the City.

The 2022 General Fund income tax revenue was estimated based on projections for additional wage earnings and expected decreases in income tax revenue as a result of work from home trends. This revenue estimate includes a 3.96% decrease in income tax revenue as compared to the revised revenue estimate amount of \$752.880 million. The graph below shows total income tax collections/estimates over the past 10 years.



*Remote Work and Its Effect on the City's Income Tax Revenues*

Remote work has created an inflection point in the City's income tax collections. While rules for taxing remote work have long been in place, what has changed is quantity and frequency of remote work.

Estimating remote work — and its revenue impact to the City — requires both economic and behavioral modeling. To estimate the impact of remote work on income tax revenue we studied the potential revenue loss due to remote work forecasts, commuter patterns for key job types in certain areas of



**CITY OF COLUMBUS, OHIO**  
**NOTES TO THE CITY AUDITOR'S STATEMENT OF 2022 ESTIMATED AVAILABLE RESOURCES**  
**GENERAL OPERATING FUND**

Columbus, and surveys of our largest employers as to remote work trends and their ability to capture work location with current systems.

1. Revenue Loss:

Using the actual 2019 jobs in the City of Columbus by North American Industry Classification System (NAICS) code (e.g. retail, construction), we overlaid remote work forecasts by national firms such as McKinsey. These forecasts assumed both “likely” remote work as well as “maximum” remote work (i.e. without losing productivity).

Next, using previous years’ Ohio Department of Transportation and U.S. Census Bureau OnTheMap data regarding commuter patterns, we made assumptions for the amount of remote work that would be staying in or leaving Columbus. It is important to recognize that Columbus — and its strong residential footprint — will also benefit from remote workers that would otherwise be traveling to regional job sites. This is imprecise given that we do not have actual detail by company, but some benchmarks exist, particularly for knowledge workers.

Finally, we created models (low remote work, likely remote work, and high remote work) to illustrate potential revenue loss to the City assuming those levels of remote work were in place.

2. Deep Dive into Job Types:

Our methodology was expanded to look at occupations within the labor force instead of high-level industry sectors. For example, office-type jobs (e.g. finance, insurance) are much more responsive to remote work than production-type jobs (e.g. building trades) or occupations that require person-to-person contact (e.g. healthcare, education).

Focusing on four key job areas — Capitol South/Downtown, Arena District, Easton, and Polaris — we looked at the total jobs in each area and then used commuter data to separate those workers who lived in Columbus from those who lived outside. Finally, we extracted the jobs that were more than likely poised for remote work. This provided an aggregate potential revenue loss for each of our major employment districts.

3. Major Employer Surveys:

Our top 50 largest employers (by income tax withholding) represent approximately 25% of our General Fund income tax collections, a sizeable barometer for analysis. We contacted each of these employers in October and asked:

- Do you have employees working remotely? If so, have you begun withholding municipal income tax for their remote locations?
  - Of your Columbus workers, how many do you anticipate will be working remotely in 2022? Future trends? (for example, some employers have already reduced their physical offices)
-

**CITY OF COLUMBUS, OHIO**  
**NOTES TO THE CITY AUDITOR'S STATEMENT OF 2022 ESTIMATED AVAILABLE RESOURCES**  
**GENERAL OPERATING FUND**

Using the above analyses, we have provided in this Revenue Estimate our best forecast as to remote work's impact on the City's revenues. It was clear during the surveys with the Top 50 largest employers that remote work plans are in a state of flux. Given this, we are providing a table below to illustrate the magnitude of ranges — meaning, if the degree of remote work is lower or higher than anticipated today.

	High	2022 Revenue Estimate	Low
Impacts of remote work on Income Tax Collections as a Percent of Total Income Tax Collections	15%	10%	5%
Impact of remote work on Income Tax Collections in dollars to the General Fund**	\$117.3 million	\$80.6 million	\$43.8 million

*\*\* The dollar impact of remote work on income tax collections in 2022 reflects the 10% increase in income tax revenue in 2021, an estimated 4% increase in wages in 2022, and an assumption for refunds of 2021 remote work income tax withholdings.*

### *Ongoing COVID-19 Recovery*

Significant fiscal and monetary stimulus measures were, and continue to be, implemented in response to the pandemic. These stimulus measures have provided support for public health, state and local governments, businesses, and individuals. While some of the supports have been exhausted, certain recovery funds remain in the Columbus economy.

To illustrate this: Ohio's 2<sup>nd</sup> Quarter personal income data showed a 7.6% decline from the 1<sup>st</sup> Quarter 2021. This was entirely due to the reduced transfer payments (i.e. fiscal stimulus) as overall earnings rose by 2.5% over the same period. As federal relief, particularly to households, further recedes, we will monitor its impact to Columbus' revenues.

While not assumed as part of this Revenue Estimate, any future federal funds for infrastructure (e.g. if the Build Back Better Act is approved) will provide for a strong multiplier effect on local wages as local businesses benefit from these projects.

Finally, future trends in vaccinations and the potential for more variants of COVID-19 present both upside and downside risks to this Revenue Estimate.

### *Economic Growth*

We continue to forecast growth in the Columbus economy. The collective response of federal, state, and local governments led to improved economic conditions in Columbus, though recovery certainly remains uneven.

Per the U.S. Bureau of Labor Statistics, in August 2021 the Columbus Metropolitan Statistical Area unemployment rate improved slightly to 4.7%. Overall, labor force continues to be depressed compared to pre-pandemic 2019. While some individuals have chosen to leave the labor force permanently, others have left for a variety of reasons, including health concerns, child care, or education. However, predictive employment data suggests a tight labor market will continue to offer acceleration in employment levels and we expect that jobs numbers will continue to strengthen.

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**CITY OF COLUMBUS, OHIO**  
**NOTES TO THE CITY AUDITOR'S STATEMENT OF 2022 ESTIMATED AVAILABLE RESOURCES**  
**GENERAL OPERATING FUND**

We also anticipate benefitting from ongoing growth in certain sectors. Our mature industries of healthcare, financial/insurance services, and education have consistently provided growth for emerging businesses in sectors like technology, biotech, and health sciences. We continue to see investments in these sectors and expect growth in jobs — both on-site and remote — to occur concurrently.

A three-year analysis of jobs, by NAICS code designation, and their respective +/- changes is below. Also presented is the Ohio wage growth through the second quarter of 2021, as compared to the same period in 2020.

NAICS	2019	2020		2021		WAGE GROWTH
	# Columbus Jobs	Columbus - Annual Average	% Change	Columbus - Average thru August	% Change	Ohio Earnings Q2 2021 v. Q2 2020
Agriculture, Forestry, Fishing and Hunting	263	N/A		N/A		N/A
Mining, Quarrying, and Oil and Gas Extraction	262	N/A		N/A		N/A
Utilities	2,693	2,485	-7.7%	2,405	-3.2%	-2.3%
Construction	23,180	23,123	-0.2%	24,311	5.1%	19.6%
Manufacturing	26,062	25,031	-4.0%	25,742	2.8%	8.3%
Wholesale Trade	18,723	18,013	-3.8%	18,013	0.0%	7.0%
Retail Trade	47,719	45,546	-4.6%	46,018	1.0%	20.4%
Transportation and Warehousing	30,307	34,884	15.1%	36,166	3.7%	12.0%
Information	9,799	8,616	-12.1%	8,335	-3.3%	13.2%
Finance and Insurance	33,640	33,403	-0.7%	33,167	-0.7%	3.1%
Real Estate and Rental and Leasing	11,021	10,597	-3.8%	11,586	9.3%	7.2%
Professional, Scientific, and Technical	34,880	34,617	-0.8%	34,564	-0.2%	11.1%
Management of Companies and Enterprises	14,202	13,905	-2.1%	13,830	-0.5%	2.6%
Administrative and Support and Waste Management and Remediation Services	34,836	32,215	-7.5%	32,758	1.7%	20.0%
Educational Services	11,431	10,370	-9.3%	11,254	8.5%	3.9%
Health Care and Social Assistance	92,718	88,916	-4.1%	89,303	0.4%	12.1%
Arts, Entertainment, and Recreation	8,278	5,996	-27.6%	6,049	0.9%	59.8%
Accommodation and Food Services	47,789	39,557	-17.2%	40,799	3.1%	75.0%
Other Services (except Public Administration)	24,887	22,345	-10.2%	23,114	3.4%	17.8%
Government	107,103	104,003	-2.9%	104,120	0.1%	2.9%
Unclassified	31	N/A		N/A		
	<b>579,824</b>	<b>553,623</b>	<b>-4.5%</b>	<b>561,535</b>	<b>1.4%</b>	

Source: U.S. Bureau of Labor Statistics

### *Income Tax Refunds Due to Remote Work in 2021*

At the end of June 2021, the State of Ohio ("State") passed legislation to allow for refunds of 2021 municipal income tax paid on behalf of remote workers to the municipality where the business was located rather than where the employee was physically working. These refunds will be requested in 2022 with the filing of 2021 tax returns; however, due to this change, we could see a reduction in withholding tax revenue for the remainder of 2021 if employers are able to adjust their withholdings for where remote workers are working.

We do anticipate that a small percentage of refund requests will occur in 2022, but we are not anticipating that large portions of Columbus workers will seek to transfer their tax withholding liability to other jurisdictions. Reasons for this include administrative burden, complexity, and the fact that a lot of our regional communities have the same or similar tax rates. Higher-paid individuals who live in townships (with no tax rate) could be a notable exception.

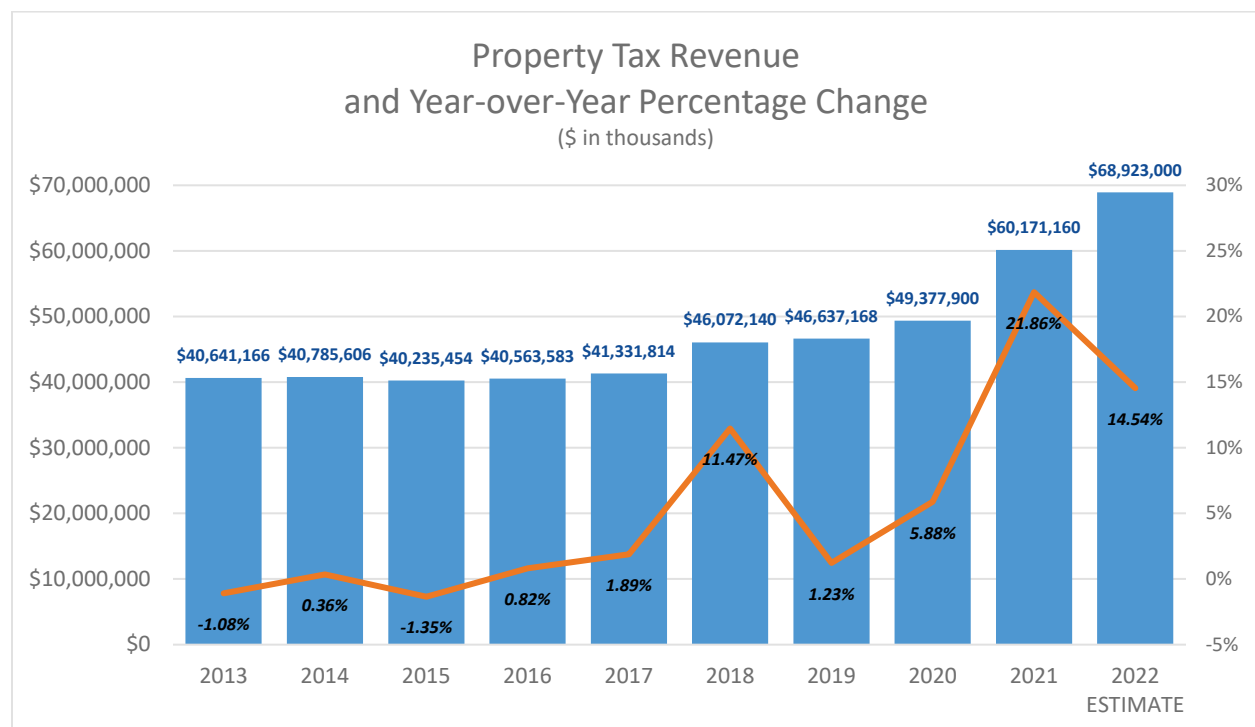


**CITY OF COLUMBUS, OHIO**  
**NOTES TO THE CITY AUDITOR'S STATEMENT OF 2022 ESTIMATED AVAILABLE RESOURCES**  
**GENERAL OPERATING FUND**

**NOTE 3 – PROPERTY TAX REVENUE**

The City's share of taxes collected in 2022 attributable to real properties is estimated at \$68.9 million, net of an estimated \$1.96 million retained by the counties and the State for certain of their costs. Amounts paid directly to the City from the State, known as "rollbacks," are included herein. Property tax revenues are estimated based on trends in assessed valuation of property as determined by the county auditors. Assessed values on real property are established by State law at 35 percent of appraised market value. A revaluation of all property is required to be completed every sixth year. The last revaluation in Franklin County was completed in 2017. Ohio law prohibits taxation of property from all taxing authorities within a county in excess of one percent of assessed value without a vote of the people. Under current procedures, the City's share is .314 percent (3.14 mills) of assessed value. Increases in the property tax rate are restricted only by voter willingness to approve such increases.

Franklin County tax year 2021 assessed values for property tax amounts to be collected in 2022 will be available in December 2021. A triennial update of assessed values was completed in 2020 and assessed values increased by 20-25% for tax year 2020 with collections in 2021. The graph below shows total property tax revenue, the year-over-year percentage change for the past nine years, and an estimate for 2022.



**NOTE 4 – INVESTMENT EARNINGS**

The City pools its cash and investments for maximum investing efficiency. Earnings on the pool are allocated to individual funds at the discretion of City Council after meeting certain requirements. Interest earnings in excess of amounts required to be allocated are recorded as revenue in the General Fund.

**CITY OF COLUMBUS, OHIO**  
**NOTES TO THE CITY AUDITOR'S STATEMENT OF 2022 ESTIMATED AVAILABLE RESOURCES**  
**GENERAL OPERATING FUND**

Based on the estimated amount of pooled cash and investments and projected interest rates, it is estimated that \$8.0 million will be posted as revenue to the General Fund in 2022. The 2022 estimate for investment earnings is consistent with the 2021 revised estimate as interest rates on investments permitted by the Columbus City Code have remained relatively flat.

**NOTE 5 – LICENSES AND PERMITS**

It is estimated that various licenses and permits issued by the City's Department of Public Safety will generate approximately \$1.9 million for the General Fund in 2022. Cable permits are estimated to produce \$9 million, while other licenses and permits will add another \$100 thousand for a total of \$11 million in licenses and permits. The 2022 estimate includes the anticipation of a slight recovery in the related revenue line items, but not a return to normal revenue levels for licenses and permits.

**NOTE 6 – SHARED REVENUE**

Shared revenue sources are estimated at \$32.1 million for 2022. Shared revenues include portions of the various State taxes which are shared with local governments within the State. It is estimated that these shared taxes will provide \$25.1 million. Additionally, the City receives Casino taxes as an allocation of county share portion and as a host city portion. Total casino taxes are estimated at \$12 million. The City has entered into various agreements funded with Casino taxes. For 2022, it is estimated that \$7 million in Casino taxes will remain in the General Fund.

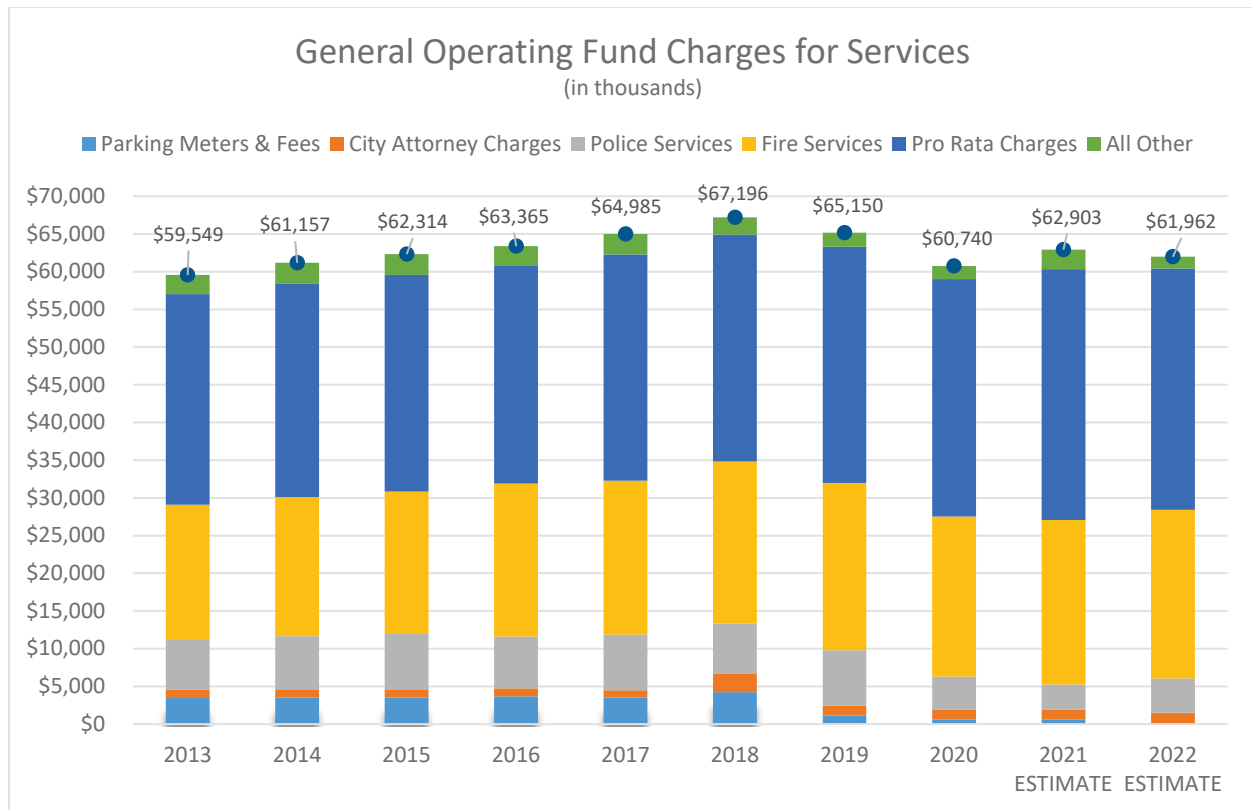
**NOTE 7 – CHARGES FOR SERVICES**

Charges for services in 2022 are estimated at \$61.9 million. The most significant revenue sources included in charges for services are for Pro Rata, Division of Fire Emergency Medical Services Billing, and special Police services. Pro Rata (or administrative charges to non-General Operating Fund divisions) represents certain operating costs borne by the General Operating Fund and then partially allocated to other funds of the City. Ordinance 2293-2018 calls for an assessment rate of 4.5% of revenues of the funds assessed, resulting in revenue to the General Operating Fund estimated at \$32 million for 2022. Since the revenues from the water, sanitary sewer, and storm sewer enterprise have not been significantly impacted by the COVID-19 pandemic, Pro Rata has remained consistent with prior years. The Fire Services estimate of \$22.4 million includes Fire Emergency Medical Services Billing for fees related to emergency medical transportation services of \$17.75 million for 2022. Special Police services include auto impound fees, policing special community and other events and is estimated to generate revenue of \$4.5 million in 2022.

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**CITY OF COLUMBUS, OHIO**  
**NOTES TO THE CITY AUDITOR'S STATEMENT OF 2022 ESTIMATED AVAILABLE RESOURCES**  
**GENERAL OPERATING FUND**

The following graph illustrates charges for services revenue by source over a 10-year period.



**NOTE 8 – FINES AND FORFEITS**

Revenue from Fines and Forfeits consists of court costs and parking ticket fines. Court costs resulting from operations of the Franklin County Municipal Court should produce approximately \$7.7 million in 2022. Due to the COVID-19 pandemic, the Franklin County Municipal Court returned to a lower number of cases in order to accommodate safe return to work policies. Pre-pandemic revenue from court costs were approximately \$12.5 million per year. It is expected that the City's parking services revenue and expense will be moved to an enterprise fund in 2022; therefore, revenue from parking ticket fines of approximately \$4 million (or \$6 million pre-pandemic) will be moved out of the General Fund and into the Mobility Enterprise Fund.

**NOTE 9 – MISCELLANEOUS REVENUES**

Miscellaneous revenues are estimated at \$5.465 million for 2022. Kilowatt hour (kWh) tax is permitted to be levied on users of electricity provided by the City's Division of Electricity. State statutes provide for the kWh tax to be deposited into the City's General Operating Fund and the City reports this amount as miscellaneous revenue. The kWh tax for 2022 is estimated at \$3.25 million. The remaining \$2.215 million estimated in miscellaneous revenue is for rents, refunds, reimbursements, and other miscellaneous payments.

**CITY OF COLUMBUS, OHIO**  
**NOTES TO THE CITY AUDITOR'S STATEMENT OF 2022 ESTIMATED AVAILABLE RESOURCES**  
**GENERAL OPERATING FUND**

**NOTE 10 – TRANSFER IN**

Transfers from other funds for 2022 are estimated at \$11 million, including: \$5 million representing 25% sharing by the Special Income Tax fund of job incentive programs to be paid from the City's General Operating Fund; and \$6 million to be transferred from the Reimagine Safety General Fund subfund [1000-100019]. Although not included in the Total Estimated Available Resources for 2022, there is approximately \$66.715 million in other General Fund subfunds that is available for transfer and use in the General Operating Fund, which includes \$60.845 million in the Basic City Services Fund [Fund 1000; Subfund 100017]. If the \$66.715 million is transferred to the General Operating Fund, the Total Estimated Available Resources for 2022 becomes approximately \$1.050 billion.

**NOTE 11 – PRIOR YEAR ENCUMBRANCE CANCELLATIONS**

Encumbrances which will be carried forward to 2022, but not used, are estimated at \$5 million. These cancellations will increase unencumbered cash in 2022 to be used for operations. Cancellations are estimated based on previous trends of encumbrance amounts carried forward from year to year, as well as the amounts cancelled each year.

**NOTE 12 – ESTIMATED AVAILABLE BEGINNING BALANCE**

The estimated available 2022 beginning balance was determined using estimates of year-end 2021 revenues and expenses based on year-to-date actual revenues and expenditures through the third quarter of 2021. The City Auditor's Official Revenue Estimate was not revised for the \$14 million in additional revenue estimated at the date of this letter.

The 2022 beginning cash balance was estimated as follows:

<b>General Operating Fund Estimated Beginning Cash Balance</b>	(in thousands)
Beginning Cash Balance - January 1, 2021	\$ 118,840
Less - Outstanding Encumbrances at December 31, 2020	40,580
<b>Unencumbered Cash Balance - January 1, 2021</b>	<b>\$ 78,260</b>
<b>Add City Auditor's Official Revised Estimate dated July 23, 2021</b>	
Add - City Auditor's Estimated 2021 Receipts	\$ 946,026
Add - City Auditor's Estimated Encumbrance Cancellations	5,000
Add - Transfers In	14,000
<b>Total Amount Available for Appropriations</b>	<b>\$ 1,043,286</b>
Add - Estimate of Revenue in Excess of Official Estimate dated July 23, 2021	14,000
Less - 2021 Projected Operating Expenditures per 3rd Quarter Review	1,008,349
<b>Projected Available Cash Balance - December 31, 2021</b>	<b>\$ 48,937</b>



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