October 20, 2017

Mayor Andrew Ginther
President Zach Klein
Members of Council
City Hall
Columbus, OH 43215

Dear Mayor Ginther, President Klein, and Members of Council:

Available Resources for the City of Columbus General Operating Fund (Fund No. 10) for calendar year 2018 are estimated to be $873,800 million. (See detailed projections attached.)

Additionally, the City’s Basic Services Fund (Fund No. 17) contains $16.784 million. If transferred to the General Operating Fund, Available Resources then become $890,584 million.

Resolution No. 13X-2013 states “That the cash balance of the Economic Stabilization Fund (the Rainy Day fund) shall reach $75 million by the end of 2018.” Resolution No 73X-2017 raises the goal to $80 million by the end of 2020. The Rainy Day Fund, Fund No. 11, will contain approximately $73,950 million at the end of 2017. The City Auditor recommends that the City continues to build this reserve over ensuing years to an amount that will equate to 10% of its General Fund operating expenditures.

Unencumbered amounts of other sub-funds of the General Fund at September 30, 2017 are:

<table>
<thead>
<tr>
<th>Fund No.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipated Expenditure (27th pay Period) Fund No. 12</td>
<td>$20,137,785</td>
</tr>
<tr>
<td>Job Growth Fund No. 15</td>
<td>$465,253</td>
</tr>
<tr>
<td>Public Safety Initiative Fund No. 16</td>
<td>$547,877</td>
</tr>
<tr>
<td>Neighborhood Initiative Fund No. 18</td>
<td>$670,416</td>
</tr>
</tbody>
</table>

I trust the above information along with the attached projection details are helpful to you in your deliberations. Please feel welcome to call if you should have any questions.

Very truly yours,

Hugh J. Dorrian
City Auditor

HJD/r/Im
City of Columbus
General Operating Fund – Fund No 10
Estimate of Available Resources
For Calendar Year 2018

Taxes:
Income tax (Note 1) $ 669,200,000
Property tax (Note 2) 47,000,000
Kilowatt Hour tax equivalent (Note 3) 3,100,000

Shared revenues:
Local community funds via County (Note 4) 19,140,000
Liquor permit fees and other 1,230,000
Casino taxes via State (Note 4) 6,576,000

Investment earnings (Note 5) 26,946,000
9,000,000

Charges for services:
Administrative charges to non-General Fund divisions (Note 6) 30,155,000
Parking meters, lots and permits 3,510,000
Fire division including EMS fees (Note 7) 19,837,000
Police division (Note 8) 7,119,000
All other charges for services (Note 9) 3,507,000

Fines, forfeitures, and penalties:
Municipal court (Note 10) 12,788,000
Parking violations bureau (Note 10) 6,200,000

Licenses and permit fees:
Cable TV and others (Note 11) 11,305,000

Other receipts (Note 12) 2,103,000

Transfers from other funds (Note 13) 4,750,000

Total estimated current resources for 2018 856,520,000

Estimated prior years’ encumbrance cancellations 3,044,000

Estimated 2017 year end fund balance (Note 14) 14,236,000

Total estimated available resources for calendar year 2018 $873,800,000

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Note 1  Income tax collections for 2018, after providing for refunds to taxpayers, are estimated at $892.266 million. One fourth of the collections will be deposited to a debt service fund, more commonly known as the “income tax set-aside” fund. The remaining three fourths of the collections, approximately $669.200 million, will be deposited to the City’s General Operating Fund.

Note 2  The City’s share of taxes collected in 2018 attributable to real properties is estimated at $47.000 million, net of an estimated $1.600 million retained by the counties and the state for certain of their costs. Amounts paid directly to the City from the State of Ohio, known as “rollbacks”, are included herein. The City must use .60 mills of this tax toward the partial payment of police and fire pension costs.

Note 3  Beginning in 2001 a tax was permitted to be levied on users of electricity provided by the City’s Division of Electricity. Known as the Kilowatt hour (kWh) tax, state statutes provide for these monies applicable to users located within the City to be deposited to the City’s General Operating Fund. The equivalency of the tax, since the tax was not actually levied, is transferred from the City’s Electricity enterprise to the General Operating Fund: estimated at $3.100 million in 2018.

Note 4  Shared revenues include portions of the various State of Ohio taxes which are shared with local governments within the State. It is estimated that these shared taxes will provide $19.140 million.

Casino taxes; county shared portion and host city portion; are estimated as follows.

<table>
<thead>
<tr>
<th>2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated amount to be received</td>
<td>$ 10,864,000</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Amount payable to Franklin County</td>
<td>(3,042,000)</td>
</tr>
<tr>
<td>Convention Facility Authority (28% in 2018)</td>
<td>(1,246,000)</td>
</tr>
<tr>
<td>Principal and interest due on City bonds</td>
<td>(1,246,000)</td>
</tr>
<tr>
<td>Net amount available</td>
<td>$ 6,576,000</td>
</tr>
</tbody>
</table>

Note 5  Investment earnings are initially deposited to the treasury investment earnings fund. Pursuant to various ordinances and resolutions of Council, portions of these earnings are then allocated to the City’s water, sewer, electricity and certain other funds. After such allocations, $9.000 million is estimated to remain available for the General Operating Fund.

Note 6  Administrative charges to non General Operating Fund divisions represent certain operating costs initially borne by the General Operating Fund and then partially allocated to other funds of the City. Ordinance No. 0085-2002, adopted January 28, 2002, calls for an assessment rate of 4.5% of the revenues of the funds assessed; resulting in revenues to the General Operating Fund of approximately $30.155 million in 2018.
Fire division charges for services include fees for Emergency Medical Transportation Services, estimated at $16.000 million for 2018. Also included and estimated at $2.160 million are charges for services rendered to suburban communities, fire prevention inspection fees of $1.600 million and other miscellaneous charges of $77,000 for a total of $19.837 million.

Police division charges for services include charges for policing schools, auto impounding fees, sales of impounded autos and various other police services for a total of $7.119 million.

All other charges for services in the total amount of $3.507 million include amounts estimated from services provided to others for which the City charges. Services provided by, and the estimated charges are: City Attorney ($1.034 million), City Auditor ($582,000), Communications ($350,000), City Sealer ($564,000), and miscellaneous other charges ($977,000).

Fines, forfeitures, court costs, etc., resulting from operations of the Franklin County Municipal Court should produce approximately $12.788 million. The City’s Parking Violations Bureau will collect approximately $6.200 million in parking ticket fines.

Various licenses and permits issued primarily via the Department of Public Safety will produce approximately $2.405 million. Additionally, cable permits will produce approximately $8.900 million.

All other receipts amounting to $2.103 million include $730,000 of reimbursement from Franklin County for a portion of Court costs and $1.373 million of miscellaneous revenues.

Transfers from other funds include $4.750 million which represents 25% sharing by the Income Tax set aside fund of job incentive programs to be paid from the City’s General Operating Fund.

Available resources for the General Operating Fund for 2017 are now estimated at $872.713 million. Expenditures and transfers from the General Operating Fund for 2017 are estimated by the Department of Finance at $858.477 million, which includes the following transfers to:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Stabilization (Rainy Day) Fund 11</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Anticipated Expenditure Fund 12</td>
<td>2,388,000</td>
</tr>
<tr>
<td>Job Growth Fund 15</td>
<td>750,000</td>
</tr>
<tr>
<td>Public Safety Initiative Fund 16</td>
<td>563,000</td>
</tr>
<tr>
<td>Basic City Services Fund 17</td>
<td>1,750,000</td>
</tr>
<tr>
<td>Neighborhood Initiative Fund 18</td>
<td>1,150,000</td>
</tr>
</tbody>
</table>

Total Transfers: $9,301,000

The estimated fund balance (the carryover) of the General Operating Fund at December 31, 2017, therefore, is $14.236 million: ($872.713 million: less $858.477 million).