Budget, Finance & Governance Committee

CY 2028 Tentative Tax Budget (TTB) Overview

November 30, 2026

city of CINCINNATI

Tentative Tax Budget Background

- A Tentative Tax Budget (TTB) is required under Ohio State law to be passed by January 15th and submitted to the County Auditor by January 20th.
- The approved TTB is the basis for establishing the City's CY 2028 property tax millage rate—providing resources for the City's FY 2028 and FY 2029 budgets.
- This is the only opportunity City Council has to set the City's property tax millage rate for CY 2028, but while the TTB meets the state's requirements, it does not set the FY 2028 General Fund Operating Budget.
- The City's charter, as approved by voters, allows for 6.1 mills to fund the City's current operating expenses and such additional millage as necessary to fund debt service and expenses for the City's outstanding debt.

CY 2028 TTB Recommendation

- The Administration is recommending that that CY 2028 property tax millage rates be maintained at the same amount as CY 2027:

  Operating Millage = **6.10 mills**
  Debt Millage = **7.50 mills**

- Based on updated income tax projections, Hamilton County Auditor's current assessed property values, and the recommended 6.10 operating millage rate, the TTB projections for the City's FY 2028 General Fund Budget are:

Projected FY 2028 GF Revenue	$638,405,855
Projected FY 2028 GF Expenditures	$655,181,402
Projected Deficit	($ 16,775,547)

FY 2028 Budget Development

The City Administration will be working over the next several months to produce the FY 2028-2029 Biennial Budget which will be structurally balanced.

- The Administration continues to work on identifying and executing on revenue enhancement initiatives to be ready for FY 2028. The results of that work will be fully incorporated into the Recommended FY 2028-2029 Biennial Budget and revenue projections will be updated again.

- Additionally, the Administration has been working on expense efficiencies and Performance Based Budgeting (PBB) is now fully implemented. PBB allows the Administration to make strategic budget reduction recommendations. These initiative results will also play a role in developing the Recommended FY 2028-2029 Biennial Budget.

- The projected deficit is equal to 2.56% of the projected FY 2028 General Fund Budget and will be closed through a combination of revenue enhancements and expenditure reductions.

FY 2028 Budget – Revenue Trends

- Based on historic collections and updated data on economic trends, the Finance Department is projecting a $20.0 million or 3.2% increase above the FY 2027 estimate in FY 2028 for City income tax General Fund revenues.

- Payroll withholding growth remains steady at 3.5% in that same period. The Finance Department will continue to monitor these trends.

- FY 2026 saw a 16% growth in Admissions Tax from FY 2025, driven primarily by an increase in baseball revenues. In FY 2027 we again see a growth of 17% YTD (through September) primarily driven by concert revenues.

- The Finance Department will update the forecast again in March 2027 and those updated amounts will be used as part of the FY 2028-2029 Biennial Budget process.

FY 2028 Budget – Expense Trends

- Projected increases to expenditures for FY 2028 include wage increases per negotiated labor contracts for the ASFCME and Building Trades bargaining units, an estimated 1% for the IAFF and 2% for other represented bargaining units, and a 3% wage increase for non-represented employees.

- The projected deficit also includes known cost increases expected in FY 2028 for items such as increases to employee health care, increases in the employer pension contribution to the Cincinnati Retirement System (CRS), as well as various non-personnel contractual increases.

- At present, projections of expense growth continue to outpace projections of revenue growth, which will require expenditure reductions in order to produce a structurally balanced budget.

Important TTB Dates and Deadlines

November 30, 2026	Public Hearing
December 2, 2026	Approval of the TTB Resolution
January 15, 2027	Submission to the County Auditor

Questions?