

**For Immediate Release**

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**Columbus Revises General Fund Revenue Estimate in Response to COVID-19**

Columbus City Auditor Megan Kilgore has revised the City's fiscal year 2020 revenue estimate in response to the COVID-19 pandemic. The 2020 revenue estimate is being revised downward by \$41.5 million; this decrease is a 4.49% reduction from the City's original 2020 Official Revenue Estimate and 4.72% from actual 2019 revenues [full report attached].

This revision is primarily attributed to income tax revenues, which are anticipated to come in \$46.5 million (6.46%) below the original 2020 estimate and 4.65% below 2019 actuals. The City's income tax revenues were projected to make up 78% of total General Fund revenues for 2020.

The Auditor's Office conducted health check-ups with the City's top 50 employers to determine vulnerability in withholding revenue. Withholding from these employers' workers makes up 38% of total income tax revenue for the City. The Auditor's Office also monitored job losses using data from the Bureau of Labor Statistics in the City's most high-risk industries such as restaurants, retail, hotels, tourism, and small business service providers.

"Our largest withholding employers make up the lion's share of our income tax revenues. To date, these major employers have largely continued to work. They may be working differently (i.e., at home), but they are still producing and paying salaries," said City Auditor Kilgore. "We are monitoring job losses in the City's high-risk categories such as restaurants, retail, and tourism. In aggregate, the labor changes within these industries may result in material revenue loss to the City."

The Auditor's Office notes that the City is just beginning to see the impacts of COVID-19 to revenues due to the timing of withholding payments and the filing deadlines for individual and net profit filers being pushed back to July 15. "The City of Columbus entered the COVID-19 pandemic on strong financial footing," said City Auditor Kilgore. "In mid-March, income tax was performing very well at a 6.83% year-to-date increase over 2019 revenues. This initial performance will help us weather revenue loss throughout 2020."

The Adjustment to the 2020 Official Revenue Estimate also outlines anticipated decreases in other General Fund revenues, including decreases in charges for services (-\$2.3 million), property taxes (-\$500K), shared revenues (-\$2 million), and fines and forfeits (-\$4 million). These projected losses are partially offset by an increase of \$14.3 million in miscellaneous revenue, including a refund of a 2019 expenditure of \$1.4 million and a rebate of 2018 Bureau of Workers' Compensation (BWC) premium of \$12.9 million.

"As expected, the City realized significant revenue loss as the result of COVID-19, and projections for the next quarter show continued reductions," said Mayor Andrew J. Ginther. "Thanks to sound financial



management and prudent savings we have positioned the City to offset these losses without having to tap into reserves.”

The City’s Department of Finance and Management has requested that City departments and divisions provide information regarding potential cost saving measures, including opportunities to curtail non-essential spending. The City has implemented a hiring freeze for positions other than essential employees or personnel related to COVID-19 needs. Spending on non-essential services has also been limited. To date, the Department of Finance and Management has captured \$26 million in expenditure savings for 2020. Additional expenditure adjustments have been identified for the remainder of 2020 and will be employed as revenue impacts are realized. The City has retained savings and BWC rebates from prior fiscal years in the Basic City Services fund, which has a \$20.4 million balance available to support operating costs as needed.

The City has received \$157 million of Federal CARES Act funds to date. The City anticipates using a portion of funding from the Federal CARES Act to pay for certain of the costs related to the City’s COVID-19 public health response and other expenditures associated with mitigating the impacts of COVID-19 on the residents of the City and economic recovery.

The City also maintains the option to employ reserves in the Rainy Day Fund to support ongoing operational needs. The fund currently holds a balance of \$84.3 million.

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