



## CITY FACES BUDGET CRUNCH

For several years now, expenditures have continued to outgrow revenue, and predictions for 2009 indicate that the City will not be able to continue operations without additional cutbacks in spending. According to City Budget Director Lea Carroll, the City's projected General Fund revenues are not enough to cover projected expenses, which has created a deficit that is inevitably going to spell budget reductions. The June 2008 forecast shows a projected deficit of \$14.5 million in the General Fund for 2009. Carroll says it is important that every employee of Cincinnati City government understands just what that means. "We are facing extremely difficult budget decisions where spending reductions and revenue increases are both being considered. Every department with General Funds will be impacted."

Significant expenditure reductions made in the past to balance a weak budget, came with an ability to absorb certain expenses, but the ability to absorb additional expenses no longer exists, so the City's current financial situation is primarily a matter of not as much money coming in as there is projected to be going out. There are other factors at play as well. Andrew Glenn, Director of Public Services says the budgetary challenges are compounded with the fact that as cold weather approaches, the cost of fuel and salt continue to rise. "Salt reserves were nearly depleted last year as a result of extreme snow and ice conditions. This year we have seen the cost of salt nearly triple, and we've had to pay the inflated cost to insure we have an adequate supply."

City Manager Milton Dohoney, Jr. says, in the wake of inflation without a commensurate increase in revenue coming into the City, cutting back is to be expected. "Cincinnati must move conservatively and cautiously. While we go about the arduous task of trimming our budget, we must make every effort to maximize efficiencies to minimize the service impact of potential reductions."

Budget Director Carroll says balancing the budget is prudent, but more importantly it is the law. "We are charged with presenting a balanced budget to the Mayor and members of City Council. It is then up to them to deliberate on the City Manager's recommended Budget, and if City Council proposes any spending additions they will need to be offset by additional spending reductions or revenue increases."

Human Resource Director Hilary Bohannon says the next few months won't be easy. "Whatever final budgetary decisions are made in the interest of employees and citizens, balancing an already compromised budget, will be done with diligent stewardship of fiscal resources and nothing less." He says the City must move and think strategically.



## REVISED CITY POLICY ON EMPLOYEE POLITICAL ACTIVITY



With the upcoming presidential election drawing near, it is important that all City employees are aware of the restrictions on political activity. The City's policy on employee political activity (HR Policies and Procedures, Section 2.2) has recently been revised to reflect that employees are entitled to make voluntary contributions to presidential candidates (either in a primary or general election), provided the candidate is not a current elected official of the City of Cincinnati. Employees can also make voluntary contributions to candidates in federal elections in states other than Ohio.

In addition here are some examples within the current City policy that are prohibited and not prohibited by City employees:

### **Prohibited**

- Acting as officers in a partisan election.
- Distribution of partisan political campaign literature.
- Membership on a partisan political campaign committee.

### **Not Prohibited**

- Serving as a precinct elected official.
- Attendance at political meetings or rallies.
- Campaigning for a non-partisan issue.

The underlying purpose of this policy is to protect employees from political interference and pressure to contribute to a particular political party or candidate. Human Resources Director Hilary Bohannon recommends, "For those employees who want to be involved in political activities, review the policy in detail and contact Lisa Berning at ext. 2417 in HR if they have a question."

To view the policy in its entirety, please visit the HR section of the intranet and click on Human Resource Policies and Procedures (HRP&P). You will find the policy in section 2.2, or you can also find it under the News and Information section on the opening page to the HR section of the website.

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