

The first Working Group meeting for the Fiscal Impact element brought forth some clear directives on how the Working Group would like to proceed. First, it is clear that more information is needed to make sound fiscal decisions, and the Working Group provided guidance on what specific information would be useful. For example, the discussion began with a specific suggestion from one of the members of the group that we start with the City's revenue, rather than spending. The full discussion could be summarized into three themes: financial sustainability, prioritization of services, and efficiency in collecting taxes and delivering services.

The financial sustainability theme includes comments from the working group members about new sources for funding, concern over pension plans, best practices, and more information on Cincinnati's debt policy. It seems that the Working Group understands financial sustainability as the ability to continue providing services at a level that makes Cincinnati an attractive place to live. One comment referenced the volatility of basing budget decisions on the earnings tax because it is not static. This suggests that earnings tax may not be a viable income source on which to rely. There were several comments regarding financially responsible policies depending on the state of the City's finances including cutting back spending when the City is in debt. This theme also deals with the effectiveness of abatements and financial instruments provided by the City. For example, do tax abatements and City-issued bonds have a financial pay off in the end? Also, should the City charge for specific services such as trash collection?

Cincinnati's government provides many services to its citizens, and each one carries a price tag. The Working Group requested each department's budget and itemized budgets for each service that the City provides. This information falls under the theme of prioritization. The Working Group wanted to know how much the City could save by privatizing garbage collection or other City services. In addition to specific knowledge about what each service costs, it would be helpful to know what services Cincinnatians value. Further, the Working Group seemed interested in what assets the City controls and whether they could be sold or utilized. There was a concern expressed that the City may be selling its assets for a one-time gain.

Another thematic issue is the inefficiency of tax collection and the allocation of the tax burden. The Working Group was concerned about small business enterprise (SBE) requirements and the financial impact of environmental justice regulations. This theme includes comments about tax incentives. How should the City decide what activities to incentivize? How much tax revenue does the City forgive? Also, how much money is not collected and how can this problem be addressed? All of these issues contribute to more efficient City operations. This theme relates closely to the other two because a more efficient city can provide more services and maintain fiscal sustainability.