

To: Mayor Andrew J. Ginther
Columbus City Councilmembers
City Attorney Zach Klein

From: City Auditor Megan Kilgore
Date: October 21, 2022

2023 Official Revenue Estimate

Dear Colleagues:

Amid much uncertainty these past three years, one thing is certain: the City's economy continues to show resilience. I do not remember a time when we have navigated more countervailing forces. A pandemic-forced shutdown followed by unprecedented wage inflation. Supply chain limitations in the midst of extraordinary levels of federal stimulus. Businesses closed, yet an incredible \$2.5 billion of PPP funding fueled growth for others in Columbus. Remote work's income tax implications offset by new, high-wage paying jobs in our expanding sectors.

Eyes will be on the national economy as we approach 2023. Many of the variables we have considered for the City's 2023 Official Revenue Estimate remain out of the City's direct control, including geopolitical tensions and their impact on the supply chain and how inflation and interest rate levels will impact local business and consumer decisions. There are four primary areas we will be monitoring:

1. Direct and indirect impacts from national economy
2. Remote work and its ongoing effect on the City's income tax revenues
3. Local employment trends
4. Income tax refunds due to remote work in 2020 (Ohio Supreme Court decision)

See the attached NOTES to this Revenue Estimate for more detail in each of these areas.

General Fund resources for 2023 are forecasted to be \$1.144 billion, an increase of 1.84% as compared to the 2022 Revised Revenue Estimate of June 2022. We will closely monitor the actual impacts to revenues in the first quarter of 2023 and will update projections as needed.

We endeavored to provide a lot of useful information in the ensuing document. Please contact me with any follow-up questions.



Megan N. Kilgore
City Auditor

