

Budget and Finance Committee

FY 2023 Carryover

November 6, 2023

FY 2023 Carryover to FY 2024

FY 2023 Carryover Amount:

- \$26.2 million (includes \$8.1 million net carryover from FY 2022)
 - Resulting from a combination of revenues exceeding estimates, expenditure savings, and prior-year cancelled encumbrances.

Stabilization Funds Policy

Goal:

- Set aside at least 16.7% of general operating budget revenues as reserves.
- Minimum reserve amount is based on the Government Finance Officers Association (GFOA) recommended goal of two months of estimated revenues.
- Reserve balance is critical to the City's credit ratings.

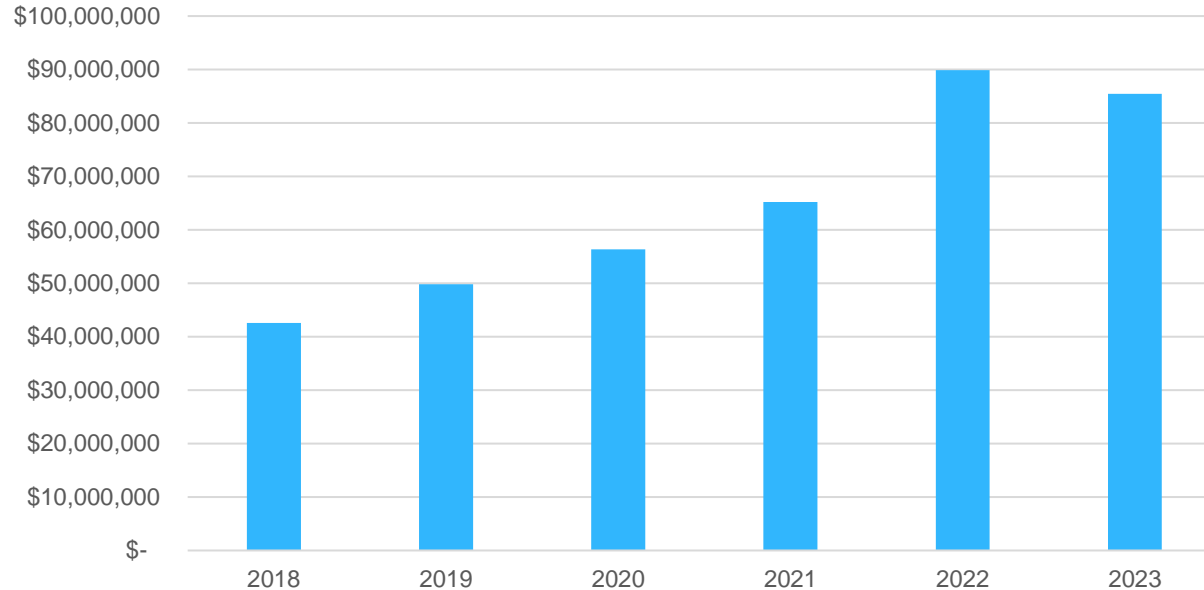
Reserve Account Balances

Balances June 30, 2023
After Proposed Transfers

Annual FY 2023 Revenue	\$488,045,786	
Working Capital Reserve	\$41,463,006	8.50%
General Fund Contingency Account	\$9,760,916	2.00%
Economic Downturn Reserve	\$26,919,674	5.52%
General Fund Carryover Balance (After Uses)	<u>\$7,320,687</u>	<u>1.50%</u>
Total Combined Reserves	\$85,464,283	17.51%
Income Tax Reserve for Refunds	<u>\$50,015,389</u>	
Total Combined Reserves	<u>\$135,479,672</u>	

Reserves* History Since 2018

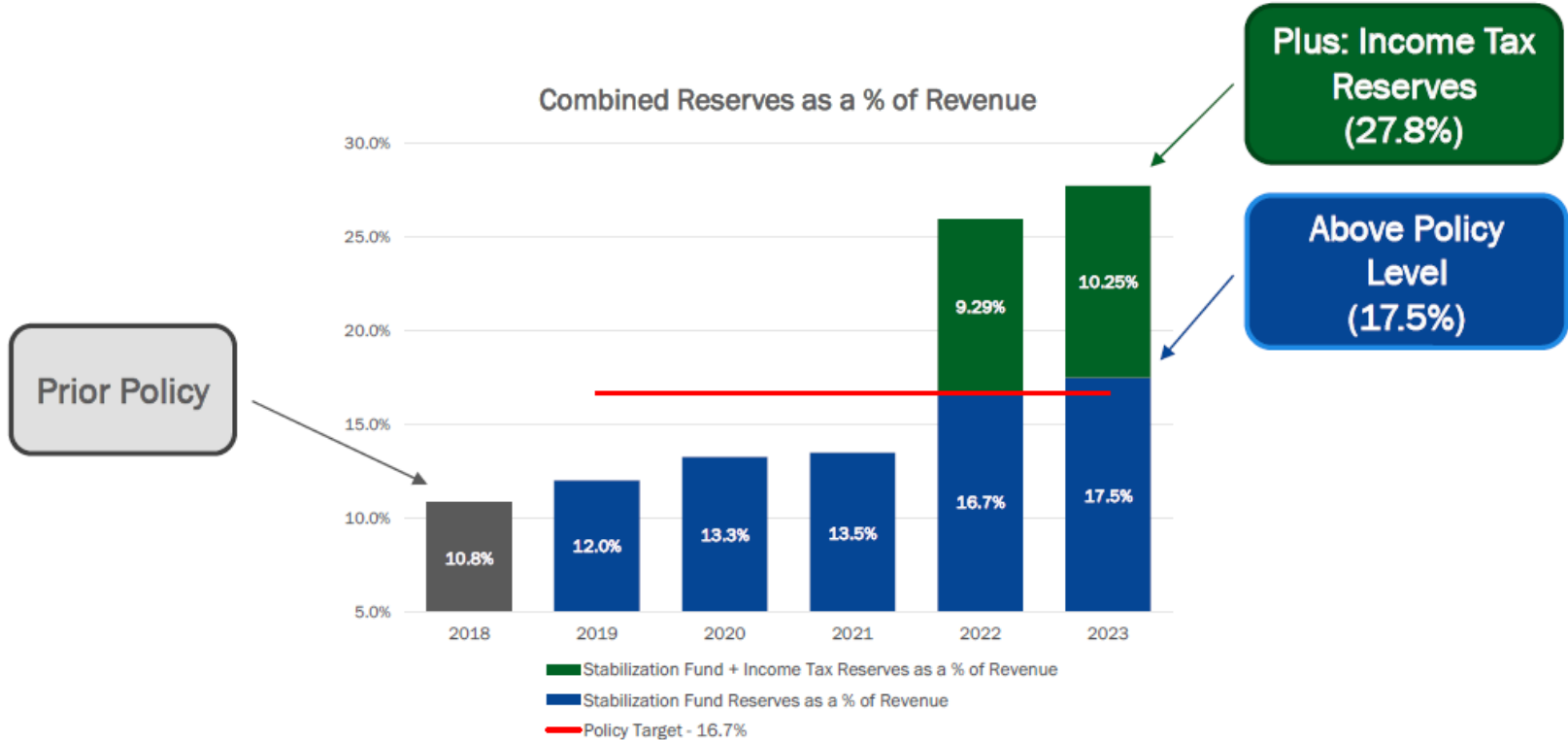
Combined Reserve Balances



Our reserve balances have increased approximately 100% since 2018.

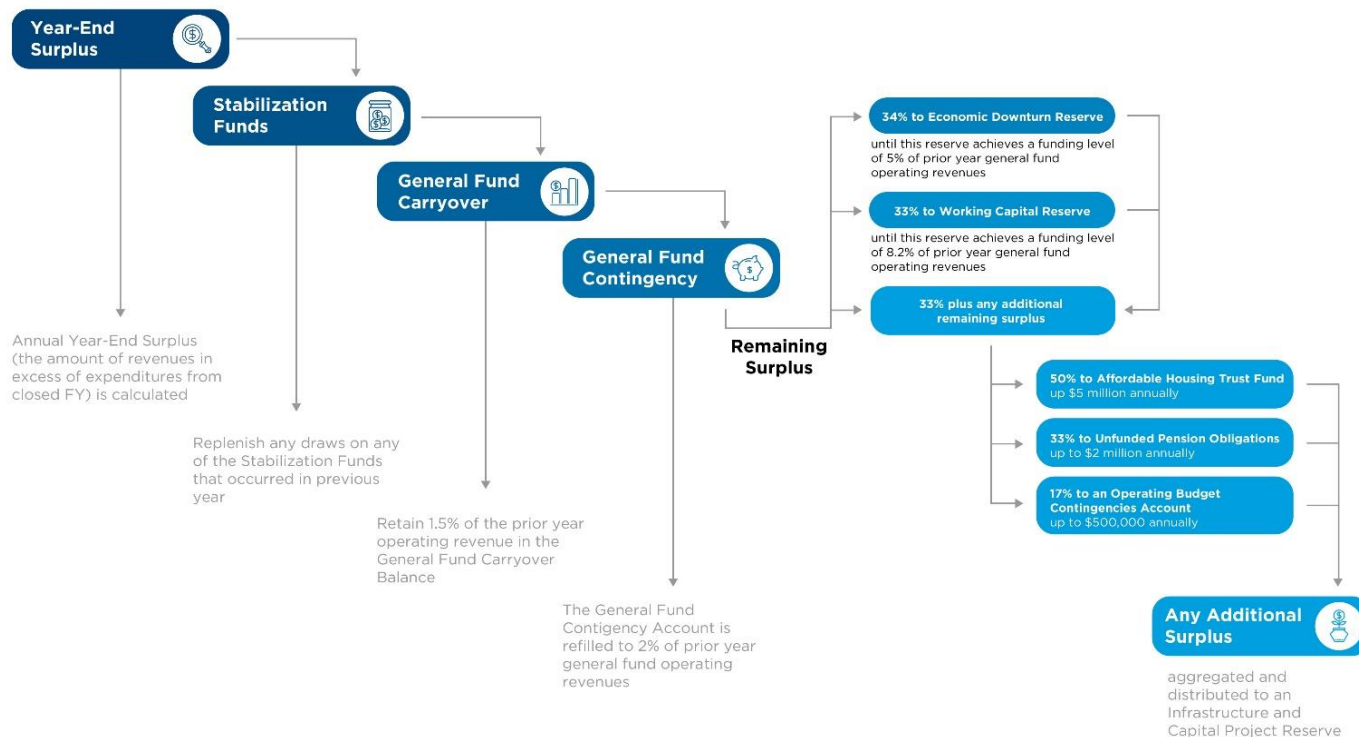
*Reserve amounts are after transfers, and the year refers to the year being closed out.

Reserves* History Since 2018



*Reserve amounts are after transfers, and the year refers to the year being closed out.

Stabilization Funds Policy: Waterfall Funding Mechanism



Administration's Recommended One-Time Uses for Additional Surplus

Deferred Capital Maintenance (65% of remaining amount) = **\$7.1 million**

- Enterprise Technology Solutions = **\$1.8 million**
 - City Radio Replacements = \$0.8 million
 - This will set aside funds for radio replacements which is a +\$10m overall project with radios set to become obsolete in 2025.
 - Lifecycle Asset Replacement = \$0.5 million
 - This will provide funds to replace various Windows based devices that are no longer supported.
 - Uninterruptable Power Supply (UPS) Systems = \$250k
 - UPS provides power for various network components to keep the City's critical IT infrastructure available during power outages.
 - Phone System / Unified Communications System = \$250k
 - This will provide funds for an ongoing project to replace the City's legacy phone system.

Administration's Recommended One-Time Uses

Deferred Capital Maintenance (65% of remaining amount) = **\$7.1 million** (continued)

- City Manager's Office = **\$0.4 million**
 - A Solar Panel Battery Backup Resiliency Hub in College Hill was funded in the FY 2024 Capital Budget.
 - The next two locations will be in Millvale and Evanston.
 - Funding will enable a second location to be completed and provide partial funding for the third location.

Administration's Recommended One-Time Uses

Deferred Capital Maintenance (65% of remaining amount) = **\$7.1 million** (continued)

- Community and Economic Development = **\$1.0 million**
 - Parking Garage Improvements: Funds will be available to be deployed for capital improvements needed at any City owned off-street parking garage. A large portion of these funds are intended to be utilized at the Town Center Garage for continued maintenance and repair during CY 2024, while the City undergoes additional engagement on the long-term use for that site.

Administration's Recommended One-Time Uses

Deferred Capital Maintenance (65% of remaining amount) = **\$7.1 million** (continued)

- Public Services – City Facilities Management = **\$3.4 million**
 - Asbestos Abatement = \$1.0 million
 - Funds will address the remediation of City facilities with asbestos, particularly asbestos glazed windows.
 - Public Safety Facilities = \$1.0 million
 - Funds will be used for various improvements at public safety facilities.
 - Fire Training Center = \$0.5 million
 - Funds will be used to cover additional costs related to the Fire Training Center.

Administration's Recommended One-Time Uses

Deferred Capital Maintenance (65% of remaining amount) = **\$7.1 million** (continued)

- Public Services – City Facilities Management = **\$3.4 million** (continued)
 - Electrical Arc Flash Hazard Study and Mitigation = \$400k
 - Funds will be used to make electrical upgrades required at City facilities.
 - HVAC Upgrades = \$250k
 - Funds will be used to upgrade HVAC systems in City facilities.
 - Safety Upgrades = \$250k
 - Funds will be used to make upgrades to safety and security systems in City facilities.

Administration's Recommended One-Time Uses

Deferred Capital Maintenance (65% of remaining amount) = **\$7.1 million** (continued)

- Public Services – Fleet Services = **\$0.5 million**
 - Police Department SWAT Vehicle Replacement

Mayor's Recommended One-Time Uses

Items Contained in Separate Ordinance (Item #202302300)

- Industrial Site Redevelopment = **\$1.6 million**
- West End Community Development Initiatives = **\$2.0 million**
- Keep Cincinnati Beautiful (KCB) Capital Facilities Improvements = **\$250k**

Questions?