

FY 2026-2027 Biennial Capital Budget:

Cincy On Track Updates

March 10, 2025

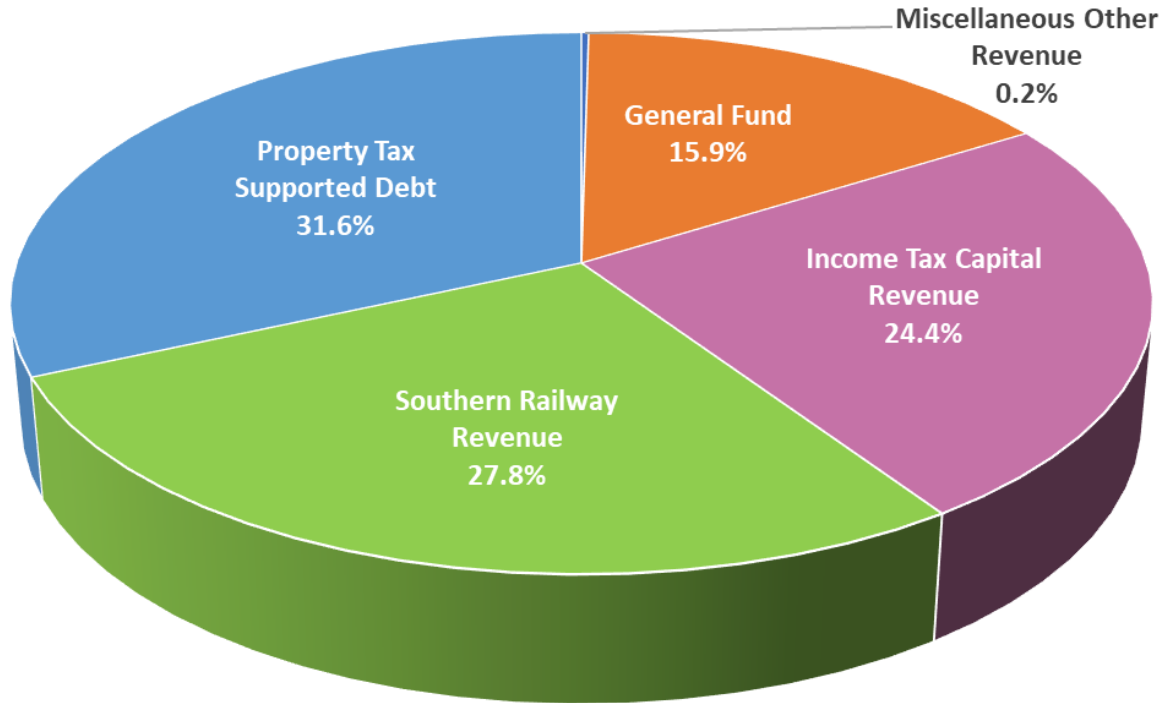
Six-Year Capital Improvement Program (CIP)

- The CIP represents the capital investment plan for the City primarily to improve City streets, bridges, recreation facilities, parks, health facilities, and buildings.
- For planning purposes, the City's CIP covers a six-year period.
- The CIP is designed to coordinate financing and timing of improvements to maximize the value to the public.
- Similar to the City's Biennial Operating Budget, revisions to the second year of the CIP are made during the update year of the biennial budget (aka the "Budget Update").

Six-Year Capital Improvement Plan (CIP) – General Capital Resources

- General Capital Resources primarily include the following:
 - Cincinnati Southern Railway (CSR) Revenue
 - CSR Lease Proceeds Prior to FY 2025
 - CSR Infrastructure Trust Proceeds After FY 2025
 - Property Tax Supported Debt
 - Income Tax Capital Revenue
 - Miscellaneous Other Revenue

FY 2025 General Capital Resources – \$105.1 million



- Southern Railway Revenue = \$29.2m
- Property Tax Supported Debt = \$33.3m
- Income Tax Capital Revenue = \$25.6m
- Miscellaneous Other Revenue = \$250k
- General Fund Revenue for Capital = \$16.7m

“General Fund” resources in the amount of \$16.7 million are being transferred out to the capital budget. These funds are available due to General Fund revenue replacement from American Rescue Plan (ARP) funds.

Capital Budget Planning – Existing Infrastructure

Capital Budget Planning – Process Improvements

- **Prior to FY 2025:**
 - Due to limited capital resources, departments would tend to focus on infrastructure-related capital funding requests to address deferred capital maintenance needs.
 - With significant deferred capital maintenance needs, the City often prioritized allocating resources to address critical infrastructure at risk for adverse impact to service delivery or potential failure.
 - Limited funding hampered the City's ability to include replacement or major rehabilitation of existing facilities in the six-year CIP.
 - Sub-project details were often limited as departments were frequently in reactive mode.
 - When departments were responding to emergent repairs, their ability to implement planned improvements were disrupted.

Capital Budget Planning – Process Improvements

- **FY 2025:**
 - A methodology for prioritizing General Capital resource allocation to existing infrastructure capital projects was rolled out to departments.
 - Guidelines included the following:
 - Infrastructure Condition
 - Equity
 - Operating Budget Impact
 - Project Readiness
 - Strategic Importance / Service Delivery Impacts
 - Departments provided sub-project detail by neighborhood for certain existing infrastructure projects eligible for funding with CSR related resources.
 - Departments presented highlights of projects and beneficiaries to the City Council as part of the release of the Recommended FY 2025 City Manager's Capital Budget Update.
 - The Office of Performance and Data Analytics (OPDA) launched a dashboard for transparency on CSR expenditures.

Capital Budget Planning – Process Improvements

- **Fiscal Year (FY) 2026-2031 Capital Improvement Program (CIP):**
 - Will represent the City's first six-year capital plan utilizing the full benefit of Cincinnati Southern Railway (CSR) Trust Disbursements.
 - Departments were asked to do more in-depth planning for various projects across all General Capital Budget sources.
 - Departments were encouraged to request funding for projects that will not only address the backlog of Deferred Maintenance (DM) including Emergent Repairs but also to be thoughtful in pursuing larger scale projects for Modernization and Strategic Investments (MSI).

Capital Budget Planning – Process Improvements

- **Fiscal Year (FY) 2026-2031 Capital Improvement Program (CIP) [continued]:**
 - Departments were asked to carefully consider the timing of projects to allow phasing to occur with allocations for pre-development activities (planning and design) separated from allocations for construction. This allows for better resource deployment over the six-year plan and maximizes the utilization of capital resources in any given fiscal year.
 - Departments are providing additional project detail including continuing to provide sub-project detail and identify beneficiaries for CSR funded projects.
 - Departments continue to use a methodology to determine priority projects including infrastructure condition, equity, operating budget impact, project readiness, and strategic importance / service delivery impacts.

Capital Budget Planning – Process Improvements

- **Anticipated FY 2027 Capital Budget Update and Beyond:**
 - Enhanced standardized data capture practices across all infrastructure departments to better inform allocation decisions and public transparency when evaluating projects.
 - Continued enhancements to the Cincy On Track dashboard to improve transparency as standardized data capture practices improve.
 - Drive efficiencies through more centralized cost estimation, project planning, and resource deployment oversight.
 - Continued improvements to procurement practices to make deployment more rapid.

Questions?