

**CITY OF DELAWARE
FINANCE COMMITTEE
MEETING TO BE HELD VIRTUALLY VIA CISCO WEBEX **3:00 P.M.**

AGENDA

April 29, 2021

1. Roll Call
2. Approval of the Motion Summary for the meeting held March 30, 2021, as recorded and transcribed.
3. Public Comments
 - a. **JOIN VIRTUAL MEETING:** To provide live public comment please email emccloskey@delawareohio.net or call 740-203-1013 to sign up by 3 p.m. the date of the meeting. **Name and address are required for public comment.** Comments are limited to 3 minutes.
 - b. **EMAIL, LETTER, PETITION:** Emails, letters, and petitions received by 3 p.m. the date of the meeting will be presented to the Committee and submitted into the record. These items will not be read aloud during the meeting but will be available on the website following the meeting at the end of the next business day. **Name and address are required.**
 - c. **FACEBOOK:** Comments received on Facebook will not be presented during the meeting and will be addressed by staff subsequent to the meeting as appropriate.
4. Review of March 2021 Financial Report and 2021 Budget Gauge
5. Discussion on Addressing Delinquent Utility Accounts in relation to COVID emergency declarations from 2020
6. Discussion on future legislation to update the City's investment policy
7. Review of Draft Transportation Funding Options
8. Discussion on Supplemental Appropriations for the 2021 Budget
9. Other Business
10. Member Comments
11. Adjournment

** This meeting will be a virtual meeting. Residents are encouraged to view online through the City of Delaware Facebook page. To comply with the CDC recommendation prohibiting group meetings, no in person attendance by Council, staff, or the public will be available.

FINANCE COMMITTEE
MOTION SUMMARY
March 30, 2021

ITEM 1. Roll Call

Chairman Hellinger called the Virtual Cisco Webex Finance Committee meeting to order at 3:02 p.m.

Members Present: Vice-Mayor Kent Shafer, Vice-Chairman Chris Jones and Chairman George Hellinger

Staff Present: Justin Nahvi, Finance Director, Alycia Ballone, Budget Analyst, Dave Efland, Planning and Community Development Director, Bill Ferrigno, Public Works Director and City Engineer, Tom Homan, City Manager

ITEM 2. Approval of the Motion Summary for the meeting held December 16, 2020, as recorded and transcribed.

Motion: Vice-Mayor Shafer moved to approve the Motion Summary from December 16, 2020, as recorded and transcribed, seconded by Vice-Chairman Jones. Motion approved by a 3-0 vote.

ITEM 3. Public Comments

There were no requests for public comment or participation.

ITEM 4. Review of February 2021 Financial Report and 2021 Budget Gauge

Mr. Navhvi provided an overview of the Financial Report and tax collections through February. Income tax collection look stable and discussed the tax deadline extension. The Budget Gauge will remain in elevated monitoring until the public health emergency is lifted by the State.

ITEM 5. Winterbrook Place (Grden), Rutherford Acres (Siekmann) and Troy Acres (Siekmann) Public Infrastructure Financing Options: Update

Mr. Homan provided an update on Winterbrook Place project and continuing to look at a 10-year, 70% TIF. He discussed he had conversations with the Olentangy City School Superintendent on the proposed terms. The TIF ordinance would start with a first reading in April and conduct a public hearing with action expected in June. Mr. Ferrigno discussed how the TIF will allow for the share of infrastructure cost of Winterbourne Road. Mr. Ferrigno discussed the high cost of infrastructure cost compared to the lot cost.

Mr. Homan discussed the two pieces to the Siekmann property. The conversations have not progressed as far, but staff has had conversations with the Delaware City School Superintendent regarding the proposed TIF.

Mr. Homan discussed that the Siekmann property could help extend Merrick to Troy. Chairman Hellinger voiced concerns on participating in residential incentives unless it benefits the community as a whole. Mr. Ferrigno discussed that the project would push the need for Merrick to extend, but that a good portion of the extension would not be on the Siekmann property and the funding will also help to straighten out a tight curve. He discussed possible extension on the east side of the Siekmann property to US 23. Other options were discussed to connect Houk Road to Hills Miller.

ITEM 6. Review of Draft Transportation Funding Options

Mr. Homan discussed that staff is still finalizing a report to provide to Council. Mr. Nahvi discussed data regarding the impact of working from home on the tax credits. He compared income tax rates, commuter credit, and city property tax for surrounding communities.

ITEM 7. Discussion on Investment Advisory RFP

Mr. Nahvi discussed that the City is taking a similar approach from the past RFP for banking services for the City's portfolio.

ITEM 8. Discussion on Upcoming Budget Amendments and Scheduling a Finance Committee Meeting for April 2021

ITEM 9. Other Business

Mr. Nahvi demonstrated how to E-File income taxes on the City's website.

ITEM 10. Member Comments

ITEM 11. Adjournment

Motion: Chairman Hellinger moved to adjourn the Finance Committee meeting. The Finance Committee meeting adjourned at 3:50 p.m.

Chairman

Elaine McCloskey, Clerk



TO: TOM HOMAN, CITY MANAGER
FROM: JUSTIN NAHVI, FINANCE DIRECTOR
SUBJECT: MARCH 2021 FINANCIAL REPORT
DATE: 4/9/2021

BACKGROUND

The purpose of this report is to provide a brief review of the revenues and expenditures for the following funds: General Fund, Fire/EMS Income Tax Fund, Recreation Center Income Tax Fund, Stormwater Fund, Water Fund, Wastewater Fund, and Refuse Fund.

Actual revenues and expenditures are compared to the budget to assess potential overages/shortages in budgeted categories. Comparisons with figures from last fiscal year are also included to indicate the differences by year, since budgeting techniques remain relatively uniform from one year to the next.

Appendix A details the year-to-date activity for all of the city's active funds. It is important to note the ending balance, encumbrances, and unencumbered balance. The unencumbered balance is the amount remaining in the fund if the city were to expend all the monies listed as encumbrances. The ending balance is the amount of funds available to the city as of March 31, 2021, and ties to the amount listed in Appendix B.

Appendix B is the Financial Statement for the city as of March 31, 2021. This statement provides a listing of the city's funds held at various financial institutions. Also presented are the interest earned to date, weighted average interest rate, and the weighted average maturity (days).

Appendix C is the Debt Schedule for the city through March 31, 2021. All principal and interest payments that have been paid to date are included in the schedule.

Appendix D is a graphical representation of the water and sewer utility consumption billed on a monthly basis in terms of units billed as well as dollars.

GENERAL FUND

The General Fund is the main operating fund for the city and is used to account for all financial transactions which are not reported in other funds. Major sources of revenue include income tax and property tax. Please refer to page three for a breakdown of the revenues and expenditures through March 31, 2021.

Revenues

The General Fund revenues are performing as expected. However, the following revenue sources require additional explanations:

- Property Taxes – Settlement revenue is received after the 1st and 2nd half real estate collection periods in March and August respectively. 1st half collections were \$914,716 reflecting an increase of \$130,014 or 16.6% from the same period in the prior year
- Intergovernmental – Total intergovernmental receipts were \$618,726 or 199.8% greater than the amount received during the same period in the prior year. This increase is attributed to the receipt of \$405,203 in a grant reimbursement received for the East William Street project.
- Income Tax – Year-to-date receipts total \$4,045,650 which is \$359,095 or 9.7%, greater than amount the City received during the same period in the prior year. The increase is attributed to employer withholding distributions to the City which increased 7.4% in the current year as compared to year-to-date collections in the prior year.
- Charges for Services – Chargebacks for the General Fund related services attributed to special revenue and enterprise funds through the end of March were \$487,306.

Expenditures

The General Fund expenditures performed as expected through the end of March. However, the following expenditures require additional explanations:

- Transfers – Transfers to the following funds have been made to the Recreation Fund (\$289,167) as well as the Streets Maintenance Fund (\$180,885).

**GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURES
MARCH 2021**

	2020 ACTUAL YTD MAR 31	2021 ACTUAL YTD MAR 31	2021 TOTAL BUDGET	2021 % of BUDGET
REVENUES				
Property Taxes	784,702	914,716	1,539,292	59.42%
Intergovernmental Receipts	206,366	618,726	1,487,000	41.61%
Income Taxes	3,686,555	4,045,650	15,576,300	25.97%
Fines & Forfeitures	16,034	65,663	100,000	65.66%
Fees, Licenses, & Permits	681,165	627,011	2,410,000	26.02%
Miscellaneous	48,781	278,865	403,000	69.20%
Other Financing	5,013	-	5,000	0.00%
Earnings on Investments	161,603	27,286	40,000	68.21%
Charges for Services	380,479	487,306	4,318,839	11.28%
Total Revenues	5,970,699	7,065,224	25,879,431	27.30%
EXPENDITURES				
Council	40,458	33,598	182,796	18.38%
City Manager	203,131	205,172	915,052	22.42%
Admin Services	85,767	64,342	422,199	15.24%
Economic Development	58,006	252,132	480,102	52.52%
Legal Affairs	189,829	156,414	870,128	17.98%
Finance	638,630	577,954	2,253,943	25.64%
General Admin	1,674,189	714,695	5,894,309	12.13%
Risk Management	6,255	1,850	339,600	0.54%
Police	2,194,258	2,122,142	10,128,465	20.95%
Planning	288,924	329,799	1,555,748	21.20%
Engineering	390,736	422,698	2,155,656	19.61%
Building Maintenance	122,125	122,426	677,876	18.06%
Total Expenditures	5,892,308	5,003,221	25,875,874	19.34%

FIRE/EMS INCOME TAX FUND

The Fire/EMS Income Tax Fund is a Special Revenue Fund which means that the resources are restricted to only funding expenditures that support the Fire Department. Please refer to page five for a breakdown of the revenues and expenditures through March 31, 2021.

Revenues

Several sources of revenue support this fund, including intergovernmental as well as income tax collections.

- EMS Service Agreement - The city contracts with Delaware County to provide EMS services to certain unincorporated portions of the County. To date, the City has received \$189,008 in reimbursements.
 - For the 2021 fiscal year, the City will receive quarterly distributions of \$225,000 from Delaware County for EMS services.
- Income Tax – Year-to-date receipts total \$2,828,337 which is \$249,390, or 9.7%, greater than amount the City received during the same period in the prior year. The increase is attributed to employer withholding distributions to the City which increased 7.4% in the current year as compared to year-to-date collections in the prior year.

Expenditures

Fire/EMIS Income Tax Fund expenditures performed as expected through March 31, 2021.

**FIRE/EMS INCOME TAX FUND
STATEMENT OF REVENUE AND EXPENDITURES
MARCH 2021**

	2020 ACTUAL YTD MAR 31	2021 ACTUAL YTD MAR 31	2021 TOTAL BUDGET	2021 % of BUDGET
REVENUES				
Intergovernmental Receipts	174,696	191,953	753,000	25.49%
Income Taxes	2,578,947	2,828,337	10,995,889	25.72%
Miscellaneous	632	10,024	3,500	286.41%
Other Financing	1,175	-	3,000	0.00%
Transfer In	-	-	268,257	0.00%
Total Revenues	2,755,449	3,030,314	12,023,646	25.20%
EXPENDITURES				
Personal Services	2,157,057	1,762,864	9,820,895	17.95%
Charges & Services	244,792	318,020	1,169,814	27.19%
Materials & Supplies	118,692	87,516	464,806	18.83%
Capital Outlay	30,738	828,043	1,943,007	42.62%
Refunds	103,055	98,194	500,000	19.64%
Transfer	-	99,056	396,224	25.00%
Debt	-	-	515	0.00%
Total Fire Expenditures	2,654,333	3,193,692	14,295,261	22.34%

**REC CENTER INCOME TAX FUND
RECREATION LEVY SUMMARY
MARCH 2021**

Account #	Description	2014 Expended	2015 Expended	2016 Expended	2017 Expended	2018 Expended	2019 Expended	2020 Expended	2021 Expended	2021 Encumbered	2021 Remaining Budget	Total 2014 - 2021
Phase 1 - \$20,000,000												
233-0233-5230	Design	7,090	0	0	0	0	0	0	0	0	0	7,090
5513	Other Park Improvements	14,981	0	0	0	0	0	0	0	0	0	14,981
5521	National Guard City Alternatives	117,500	0	0	0	0	0	0	0	0	0	117,500
5533	Veterans Park Restroom/Shelter	0	100,000	150,000	0	0	0	0	0	0	0	250,000
	Total	139,571	100,000	150,000	0	0	0	0	0	0	0	389,571
Phase 2 - \$3,800,000												
233-0233-5501	Houk Rd. Site Improvements	0	0	0	0	0	235,000	0	0	0	0	235,000
5522	Park Asphalt Projects	306,291	59,111	27,841	0	0	0	0	0	0	0	393,243
5523	Park Seal Coating Projects	36,025	100,894	0	0	0	0	0	0	0	0	136,919
5524	Smith Park Trail	27,461	3,699	205,818	0	0	0	0	0	0	0	236,978
5525	Park Irrigation	0	0	0	0	0	0	0	0	0	0	0
5526	Park Aeration	20,109	0	0	0	0	0	0	0	0	0	20,109
5527	Parks General Construction Projects	113,737	6,250	12,645	57,797	148,270	48,464	0	0	0	0	387,163
5528	Dog Park	32,354	34,003	0	0	0	0	0	0	0	0	66,357
5529	Drainage & Excavation Projects	2,608	0	0	0	0	0	0	0	0	0	2,608
5530	Miscellaneous Park Improvements	42,715	0	0	18,532	0	0	0	0	0	0	61,247
5531	Veterans Park Parking Lot Addition	337,203	0	0	0	0	0	0	0	0	0	337,203
5532	Wayfinding and Signage	0	0	0	21,160	2,590	61,357	30,758	4,425	0	28,000	148,290
5534	Veterans Park Playtoy	0	152,551	94,449	0	0	0	0	0	0	0	247,000
5535	Splashpad Construction	5,300	479,956	51,627	12,791	34,302	0	0	0	0	0	583,976
5536	Parkland Acquisition/Improvement	0	722,272	428,577	0	0	0	0	0	0	0	1,150,849
5537	Park Improvements Contingency	3,040	0	0	0	0	0	0	0	0	0	3,040
5538	Pickleball Courts	0	17,035	0	0	0	0	0	0	0	0	17,035
5710	In House Design	0	4,237	0	0	0	0	0	0	0	0	4,237
	Total	926,843	1,580,008	820,957	110,280	185,162	344,821	30,758	4,425	0	28,000	4,031,254
	Phase 1 Totals	139,571	100,000	150,000	0	0	0	0	0	0	0	389,571
	Phase 1 Reimbursements	72,000										72,000
	Phase 1 Net Cost	67,571	100,000	150,000	0	0	0	0	0	0	0	317,571
	Phase 1 Net Cost 2009-2013											19,609,505
	TOTAL PHASE 1 COSTS											19,927,076
	Phase 2 Totals	926,843	1,580,008	820,957	110,280	185,162	344,821					3,968,071
	Phase 2 Reimbursements		212,722									212,722
	TOTAL PHASE 2 COSTS	926,843	1,367,286	820,957	110,280	185,162	344,821					3,755,349
	TOTAL ALL PHASES											23,682,425

STORMWATER FUND

The Stormwater Fund is an Enterprise Fund that was established to account for the costs of repairing, replacing, and improving the city's storm drainage system. User fees sustain the expenditures of this fund. Please refer to page eight for a breakdown of the revenues and expenditures through March 31, 2021.

Revenues

The Stormwater Fund revenues are performing as expected. However, the following revenue sources require additional explanations:

- Charges for Services – Year-to-date service charges totaled \$241,657 which is \$11,184 (4.9%) greater than the amount collected during the same period in the prior year.

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Expenditures

The Stormwater Fund expenditures performed as expected through the end of March. However, the following expenditures require additional explanations:

- Transfers – A transfer in the amount of \$900,000 was processed to the Stormwater Capital Fund in the month of February. Capital expenditures were previously realized within the Stormwater Fund. For the 2021 Adopted Budget, the Stormwater Capital Fund was established to account for capital expenditures going forward.

**STORMWATER FUND
STATEMENT OF REVENUE AND EXPENDITURES
MARCH 2021**

	2020 ACTUAL YTD MAR 31	2021 ACTUAL YTD MAR 31	2021 TOTAL BUDGET	2021 % of BUDGET
REVENUES				
Miscellaneous	967	595	2,350	25.31%
Charges for Services	230,473	241,657	829,500	29.13%
Total Revenues	231,440	242,252	831,850	29.12%
EXPENDITURES				
Stormwater Operations				
Personal Services	62,571	58,415	261,315	22.35%
Charges & Services	13,005	20,606	203,828	10.11%
Materials & Supplies	10,181	8,196	95,676	8.57%
Capital Outlay	-	-	20,000	0.00%
Refunds	20	-	-	0.00%
Transfer	-	900,000	900,000	100.00%
Total Ops Expenditures	85,777	987,217	1,480,819	66.67%

WATER FUND

The Water Fund was established to account for the treatment and distribution of water to resident and commercial users. This fund is also an Enterprise Fund, with user fees financing the expenditures. Please refer to page ten for a breakdown of the revenues and expenditures through March 31, 2021.

Revenues

The Water Fund revenues are performing as expected. However, the following revenue sources require additional explanations:

- Charges for Services – Included in this category are Services Charges & Collections.
 - Meter Charges – Year-to-date meter charges for water consumption totaled \$1,347,392 which is \$2,029 or 0.2% less than the amount collected same period from the prior year.
 - Capacity Fees – Year-to-date receipts total \$626,217 and these fees are deposited into the Water Capacity Fee Fund (Fund 536).

Expenditures

The Water Fund expenditures performed as expected through March 31, 2021.

**WATER FUND
STATEMENT OF REVENUE AND EXPENDITURES
MARCH 2021**

	2020 ACTUAL YTD MAR 31	2021 ACTUAL YTD MAR 31	2021 TOTAL BUDGET	2021 % of BUDGET
REVENUES				
Miscellaneous	6,876	3,561	25,000	14.24%
Other Financing	6,549	-	10,000	0.00%
Earnings on Investments	64,362	2,825	7,500	37.66%
Charges for Services	1,382,634	1,375,239	5,680,427	24.21%
Total Revenues	1,460,421	1,381,624	5,722,927	24.14%
EXPENDITURES				
Water Administration				
Personal Services	71,847	83,674	324,395	0.00%
Charges & Services	59,015	285,327	1,063,862	26.82%
Materials & Supplies	71	47	750	0.00%
Capital Outlay	-	-	25,000	0.00%
Refunds	1,818	4,388	10,000	43.88%
Transfers	182,500	-	1,952,379	0.00%
Total Admin Expenditures	315,251	373,435	3,376,386	11.06%
Water Treatment				
Personal Services	203,205	171,306	947,336	18.08%
Charges & Services	236,005	241,119	791,975	30.45%
Materials & Supplies	85,329	62,991	414,874	15.18%
Capital Outlay	10,420	-	94,500	0.00%
Refunds	-	-	-	0.00%
Total Treat Expenditures	534,960	475,416	2,248,685	21.14%
Water Distribution				
Personal Services	132,423	103,624	627,619	16.51%
Charges & Services	20,211	27,148	138,496	19.60%
Materials & Supplies	67,175	69,663	288,650	24.13%
Capital Outlay	-	-	15,000	0.00%
Refunds	-	-	-	0.00%
Total Dist Expenditures	219,809	200,435	1,069,765	18.74%
Total Expenditures	1,070,019	1,049,287	6,694,836	15.67%

WASTEWATER FUND

The purpose of the Wastewater Fund is to provide wastewater collection and treatment service to resident and commercial users. This fund is also an Enterprise Fund, with user fees financing the expenditures. Please refer to page twelve for a breakdown of the revenues and expenditures through March 31, 2021.

Revenues

The Sewer Fund revenues are performing as expected. However, the following revenue sources require additional explanations:

- Charges for Services – Included in this category are Services Charges & Collections.
 - Meter Charges – Year-to-date meter charges for wastewater treatment totaled \$1,679,777 which is \$58,733 or 3.6% greater than the amount collected during same period from the prior year.
 - Capacity Fees – Year-to-date receipts total \$543,990 and these fees are deposited into the Wastewater Capacity Fee Fund (Fund 546).

Expenditures

The Wastewater Fund expenditures performed as expected through March 31, 2021.

**WASTEWATER FUND
STATEMENT OF REVENUE AND EXPENDITURES
MARCH 2021**

	2020 ACTUAL YTD MAR 31	2021 ACTUAL YTD MAR 31	2021 TOTAL BUDGET	2021 % of BUDGET
REVENUES				
Miscellaneous	2,579	235	25,000	0.94%
Other Financing	7,423	-	15,000	0.00%
Earnings on Investments	61,929	3,045	23,000	13.24%
Charges for Services	1,671,948	1,745,793	7,009,424	24.91%
Total Revenues	1,743,879	1,749,072	7,072,424	24.73%
EXPENDITURES				
Sewer Administration				
Personal Services	63,619	56,039	324,440	0.00%
Charges & Services	18,933	264,186	1,117,987	23.63%
Materials & Supplies	100	47	900	0.00%
Capital Outlay	-	-	25,000	0.00%
Refunds	227	-	8,500	0.00%
Transfers	205,750	-	3,237,090	0.00%
Total Admin Expenditures	288,629	320,272	4,713,917	6.79%
Sewer Treatment				
Personal Services	209,478	181,655	984,939	18.44%
Charges & Services	217,822	312,170	1,240,058	25.17%
Materials & Supplies	48,548	40,250	272,483	14.77%
Capital Outlay	-	-	-	0.00%
Refunds	-	-	-	0.00%
Total Treat Expenditures	475,848	534,075	2,497,480	21.38%
Sewer Collection				
Personal Services	61,451	93,530	299,174	31.26%
Charges & Services	49,645	40,696	245,976	16.54%
Materials & Supplies	27,970	47,554	179,038	26.56%
Capital Outlay	-	-	16,500	0.00%
Refunds	-	-	-	0.00%
Total Col Expenditures	139,067	181,781	740,688	24.54%
Total Expenditures	903,544	1,036,128	7,952,085	13.03%

REFUSE FUND

The Refuse Fund accounts for the costs of providing refuse services. This fund is an Enterprise Fund which means that the main source of revenue is the monthly fees charged to residents for this service. Please refer to page fourteen for a breakdown of the revenues and expenditures through March 31, 2021.

Revenues

The Refuse Fund revenues are performing as expected. However, the following revenue sources require additional explanations:

- Charges for Services – Year-to-date receipts total \$952,244 which is \$42,485 or 4.7% greater than the amount received from the same period in the prior year.

Expenditures

The Refuse Fund expenditures performed as expected through March 31, 2021.

REFUSE FUND
STATEMENT OF REVENUE AND EXPENDITURES
MARCH 2021

	2020 ACTUAL YTD MAR 31	2021 ACTUAL YTD MAR 31	2021 TOTAL BUDGET	2021 % of BUDGET
REVENUES				
Miscellaneous	3,365	45,380	-	0.00%
Other Financing	-	12,950	10,000	0.00%
Earnings on Investments	4,653	223	13,500	1.66%
Charges for Services	909,759	952,244	3,749,000	25.40%
Transfer In	-	-	50,000	0.00%
Total Revenues	917,777	1,010,797	3,822,500	26.44%
EXPENDITURES				
Refuse Administration				
Personal Services	-	-	-	0.00%
Charges & Services	9,315	26,499	497,002	5.33%
Materials & Supplies	-	-	-	0.00%
Capital Outlay	5,985	-	-	0.00%
Refunds	131	100	300	33.33%
Transfers	92,795	-	-	0.00%
Total Admin Expenditures	108,226	26,599	497,302	5.35%
Refuse Collection				
Personal Services	175,155	123,415	806,002	15.31%
Charges & Services	275,015	276,441	1,393,444	19.84%
Materials & Supplies	23,427	45,524	215,009	21.17%
Capital Outlay	-	-	1,111,176	0.00%
Refunds	-	-	-	0.00%
Total Collect Expenditures	473,598	445,380	3,525,631	12.63%
Refuse Recycling				
Personal Services	106,548	100,870	486,408	20.74%
Charges & Services	72,157	69,137	290,643	23.79%
Materials & Supplies	7,213	6,058	128,608	4.71%
Capital Outlay	-	1,742	307,742	0.57%
Refunds	-	-	-	0.00%
Total Recycle Expenditures	185,919	177,807	1,213,401	14.65%
Total Expenditures	767,742	649,786	5,236,334	12.41%

APPENDIX A

YEAR TO DATE FUND REPORT
March 31, 2021

Fund #	FUND	BEGINNING BALANCE	YTD REVENUES	YTD EXPEND	ENDING BALANCE	ENCUMB	UNENCUMB BALANCE
101	General Fund	6,983,031.34	7,065,523.98	4,952,807.20	9,095,748.12	783,928.64	8,311,819.48
200	Street Maintenance & Repair	104,616.68	666,323.63	770,940.31	0.00	284,665.16	(284,665.16)
201	State Highway Improvement	39,903.60	39,277.55	0.00	79,181.15	0.00	79,181.15
202	License Fee	364,450.04	134,511.97	16,973.53	481,988.48	212,374.14	269,614.34
204	Performance Bond	552,151.00	884,147.00	0.00	1,436,298.00	0.00	1,436,298.00
210	Recreation	16,995.52	295,994.94	312,990.46	0.00	105,320.79	(105,320.79)
212	Oak Grove Cemetery	201,988.79	60,249.07	68,488.56	193,749.30	76,759.69	116,989.61
215	Tree Replacement	212,453.78	38,147.00	0.00	250,600.78	0.00	250,600.78
222	Airport	276,740.87	157,498.37	172,666.95	261,572.29	85,812.74	175,759.55
223	Hangars	184,909.89	27,086.00	10,282.47	201,713.42	0.00	201,713.42
231	Fire/EMS Income Tax	10,063,975.44	3,030,314.33	3,185,308.20	9,908,981.57	696,416.07	9,212,565.50
233	Rec Center Income Tax	4,815,002.65	606,949.18	25,466.40	5,396,485.43	0.00	5,396,485.43
235	Airport TIF	163,387.07	12,318.84	0.00	175,705.91	0.00	175,705.91
236	Glenn Road TIF	2,338,996.22	896,149.04	183,354.58	3,051,790.68	175,201.92	2,876,588.76
237	Sky Climber TIF	0.00	21,834.03	20,218.28	1,615.75	0.00	1,615.75
238	Mill Run TIF	0.00	78,970.08	0.00	78,970.08	0.00	78,970.08
240	Municipal Court	2,408,686.30	599,532.60	509,157.51	2,499,061.39	7,552.27	2,491,509.12
241	Court IDIAM	24,001.06	13,321.57	206.66	37,115.97	473.36	36,642.61
250	Drug Enforcement	51,289.68	250.00	0.00	51,539.68	0.00	51,539.68
251	Court Alcohol Treatment	624,074.63	6,303.45	1,623.33	628,754.75	0.00	628,754.75
252	OMVI Enforcement/Education	5,707.65	413.00	0.00	6,120.65	0.00	6,120.65
253	Police Judgement	23,324.02	0.00	877.03	22,446.99	0.00	22,446.99
254	Police Fed Judgement	13,885.77	2.25	7,500.00	6,388.02	0.00	6,388.02
255	Park Exaction Fee	79,629.07	0.00	0.00	79,629.07	0.00	79,629.07
256	Court Computer Legal Research	742,067.00	41,477.20	6,080.67	777,463.53	71,862.02	705,601.51
257	Court Special Projects	622,876.17	42,318.00	45,454.06	619,740.11	40,574.65	579,165.46
259	Court Probation Services	707,004.01	64,043.49	5,988.80	765,058.70	304.00	764,754.70
261	Police Disability Pension	0.00	137,870.81	0.00	137,870.81	0.00	137,870.81
262	Fire Disability Pension	0.00	137,870.81	0.00	137,870.81	0.00	137,870.81
272	Community Promotion	2,651.63	8,333.84	0.00	10,985.47	50,000.00	(39,014.53)
280	Local Coronavirus Relief	0.00	0.00	0.00	0.00	0.00	0.00
291	CDBG	0.00	0.00	1,265.20	(1,265.20)	2,084.80	(3,350.00)
292	Police Fed Treasury Seizures	3,541.85	1,934.53	850.00	4,626.38	0.00	4,626.38
295	ED Revolving Loan	300,624.04	23,140.24	537.15	323,227.13	176,009.20	147,217.93
296	Housing Program Income	0.00	0.00	0.00	0.00	0.00	0.00

APPENDIX A

YEAR TO DATE FUND REPORT
March 31, 2021

Fund #	FUND	BEGINNING BALANCE	YTD REVENUES	YTD EXPEND	ENDING BALANCE	ENCUMB	UNENCUMB BALANCE
300	General Bond Retirement	492,654.88	82.54	0.00	492,737.42	0.00	492,737.42
301	Park Improvement Bond	48,165.20	8.07	0.00	48,173.27	4,000.00	44,173.27
302	SE Highland Bond	34.44	0.00	0.00	34.44	0.00	34.44
410	Capital Improvement	2,449,344.45	308,478.15	1,141,084.14	1,616,738.46	1,771,443.78	(154,705.32)
412	OPWC	0.00	0.00	0.00	0.00	0.00	0.00
415	Point Project	1,126,493.80	298,407.04	676,070.94	748,829.90	875,922.44	(127,092.54)
430	FAA Airport Grant	0.00	9,209.06	0.00	9,209.06	0.00	9,209.06
431	FAA Alloc/Improvement Grant	89,765.41	0.00	6,219.85	83,545.56	9,136.00	74,409.56
440	Equipment Replacement	213,611.45	0.00	192,097.00	21,514.45	540,655.00	(519,140.55)
491	Parks Impact Fee	2,518,138.33	116,891.92	68,608.18	2,566,422.07	455,152.67	2,111,269.40
492	Police Impact Fee	486,957.21	18,645.36	0.00	505,602.57	0.00	505,602.57
493	Fire Impact Fee	622,208.16	32,720.60	0.00	654,928.76	0.00	654,928.76
494	Municipal Impact Fee	507,884.92	37,360.28	0.00	545,245.20	0.00	545,245.20
496	Glenn Rd S Construction	1,385,273.45	605,846.73	0.00	1,991,120.18	0.00	1,991,120.18
498	Glenn Rd N	290,330.29	73,143.84	0.00	363,474.13	0.00	363,474.13
501	Golf Course	221,143.30	34,398.95	12,731.92	242,810.33	18,800.06	224,010.27
520	Parking Lots	44,994.76	9,002.84	9,948.49	44,049.11	3,156.00	40,893.11
523	Stormwater	3,761,276.68	242,251.83	986,298.95	3,017,229.56	99,436.06	2,917,793.50
524	Stormwater Capital	(1,927,151.51)	900,000.00	383,183.14	(1,410,334.65)	98,400.78	(1,508,735.43)
530	Water	2,058,415.83	1,381,624.09	1,042,544.35	2,397,495.57	291,396.28	2,106,099.29
531	Water Construction	1,398,500.42	0.00	735,073.05	663,427.37	208,226.20	455,201.17
533	Water Reserve	2,000,000.00	0.00	0.00	2,000,000.00	0.00	2,000,000.00
535	Water Customer Deposit	190,359.63	(12,675.39)	444.12	177,240.12	0.00	177,240.12
536	Water Capacity Fee	11,662,148.66	626,216.81	422,001.09	11,866,364.38	210,623.13	11,655,741.25
540	Wastewater	4,092,154.36	1,749,072.33	1,025,389.28	4,815,837.41	339,961.08	4,475,876.33
541	Wastewater Construction	3,960,063.37	0.00	322,207.37	3,637,856.00	700,026.97	2,937,829.03
543	Wastewater Reserve	2,000,000.00	0.00	0.00	2,000,000.00	0.00	2,000,000.00
546	Wastewater Capacity Fee	8,376,102.10	543,989.71	1,161,457.90	7,758,633.91	213,604.96	7,545,028.95
548	SE Highland Wastewater	244,100.11	208,000.00	0.00	452,100.11	0.00	452,100.11
550	Refuse	1,199,261.65	1,010,797.33	649,786.17	1,560,272.81	1,354,137.34	206,135.47
601	Garage Rotary	46,938.31	210,475.00	180,245.85	77,167.46	181,082.81	(103,915.35)
602	IT Rotary	18,532.22	785,603.00	592,037.64	212,097.58	101,832.01	110,265.57
610	Health Insurance	2,010,396.95	493,883.25	1,841,426.42	662,853.78	4,100.00	658,753.78
620	Workers Compensation	3,651,058.38	8,420.58	162,513.50	3,496,965.46	600.00	3,496,365.46
701	Fire Donation	1,283.36	0.00	0.00	1,283.36	0.00	1,283.36
702	Parks/Rec Donation	7,749.03	0.00	0.00	7,749.03	0.00	7,749.03
703	Police Donation	9,336.60	0.00	499.32	8,837.28	0.00	8,837.28
704	Mayors Donation	1,448.15	150.00	0.00	1,598.15	0.00	1,598.15
705	Project Trust	1,124,540.63	269,935.37	0.00	1,394,476.00	175,000.00	1,219,476.00

APPENDIX A

YEAR TO DATE FUND REPORT
March 31, 2021

707	Unclaimed Funds	57,589.32	0.00	0.00	57,589.32	0.00	57,589.32
708	Municipal Court Unclaimed Funds	106,921.77	1,601.86	23.12	108,500.51	0.00	108,500.51
709	Development Reserve	678,717.04	0.00	0.00	678,717.04	0.00	678,717.04
710	Reserve Account	1,213,864.04	0.00	0.00	1,213,864.04	0.00	1,213,864.04
750	Cemetery Perpetual Care	37,204.40	6.24	0.00	37,210.64	260.00	36,950.64
801	State Highway Patrol	7,085.84	10,374.96	17,460.81	(0.01)	0.00	(0.01)
803	State Building Permit	632.01	2,325.93	1,777.29	1,180.65	0.00	1,180.65
811	Berkshire JEDD	153,198.73	112,271.70	155,796.41	109,674.02	2,751.70	106,922.32
		90,566,693.90	25,180,626.78	22,085,963.65	93,661,357.03	10,429,044.72	83,232,312.31

APPENDIX B

**CITY OF DELAWARE, OHIO
FINANCIAL STATEMENT
MARCH 31, 2021**

	Weighted Average Interest Rate	YTD Interest Earned	Weighted Average Maturity (Days)	Ending Balance
<u>Checking/Depository</u>				
Checking (Operating & Payroll)*		-		24,482,910
Total Bank Deposits		\$ -		\$ 24,482,910
 <u>Investments</u>				
Star Ohio	0.07%	15,500		69,178,448
Total Investments		\$ 15,500		\$ 69,178,448
 TOTAL BANK DEPOSITS & INVESTMENTS		 \$ 15,500		 \$ 93,661,357

* The city participates in an Earning Credit Allow ance program. The City maintains a minimum balance in the checking account so that a credit is earned that then offsets the monthly service charge.

I certify that the balances stated above are true to the best of my know ledge.

Justin Nahvi
Finance Director

MARCH 31, 2021
Date

Tom Homan
City Manager

MARCH 31, 2021
Date

APPENDIX C

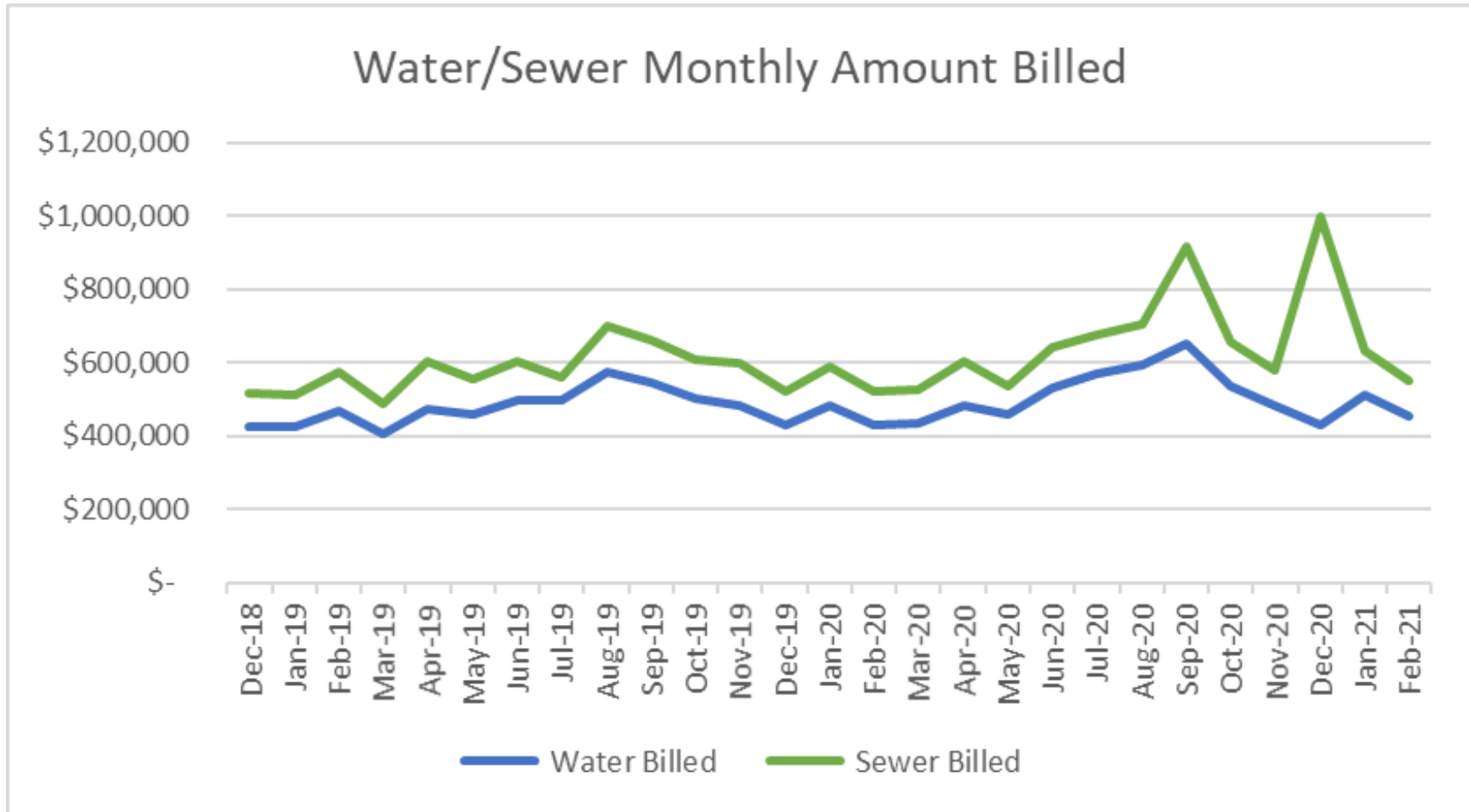
CITY OF DELAWARE
DEBT SCHEDULE
MARCH 2021

	Outstanding Balance 3/31/2021	General	Fire/EMS	Rec Levy	Police Impact Impact Fee	Municipal Impact Fee	Glenn Rd. TIF/NCA	Water User Fee	Water Capacity Fee	Sewer User Fee	Sewer Capacity Fee
2019 GO Bonds	\$19,780,000	\$ 3,615,000					\$ 6,280,000				\$ 9,885,000
2017 General Obligation Bonds	\$ 5,405,000	\$ 587,605	\$ 2,485,000						\$ 1,820,494		\$ 511,901
2015 General Obligation Bonds	\$ 4,930,000		\$ 350,000	\$ 2,215,000			\$ 2,365,000				
2013 General Obligation Bonds	\$ 4,740,000		\$ 1,725,000		\$ 534,750	\$ 1,190,250	\$ 1,290,000				
2012 General Obligation Bonds	\$ 1,265,000	\$ 565,148	\$ 114,852								\$ 585,000
OWDA Water Projects	\$27,804,208							\$17,819,341	\$ 9,984,867		
OWDA Sewer Projects	\$ 9,253,262									\$ 797,631	\$ 8,455,631
2020 Recreation Levy Bonds	\$12,085,000			\$12,085,000							
Total Long Term Debt	\$85,262,470	\$ 4,767,753	\$ 4,674,852	\$14,300,000	\$ 534,750	\$ 1,190,250	\$ 9,935,000	\$17,819,341	\$11,805,360	\$ 797,631	\$19,437,532
Fund Balance Reserves 3/31/21		\$ 9,095,745	\$ 9,808,982	\$ 5,396,485	\$ 505,603	\$ 545,245	\$ 5,042,911	\$ 5,060,923	\$11,866,364	\$10,453,693	\$ 7,758,634
Annual Debt Service		\$ 767,721	\$ 702,262	\$ 2,431,580	\$ 136,700	\$ 353,500	\$ 999,126	\$ 1,285,727	\$ 964,722	\$ 152,695	\$ 3,003,987
2021 Revenue		\$25,879,431	\$12,023,646	\$ 2,326,517	\$ 102,500	\$ 170,500	\$ 3,419,300	\$ 7,722,927	\$ 2,000,000	\$ 8,572,424	\$ 4,080,000

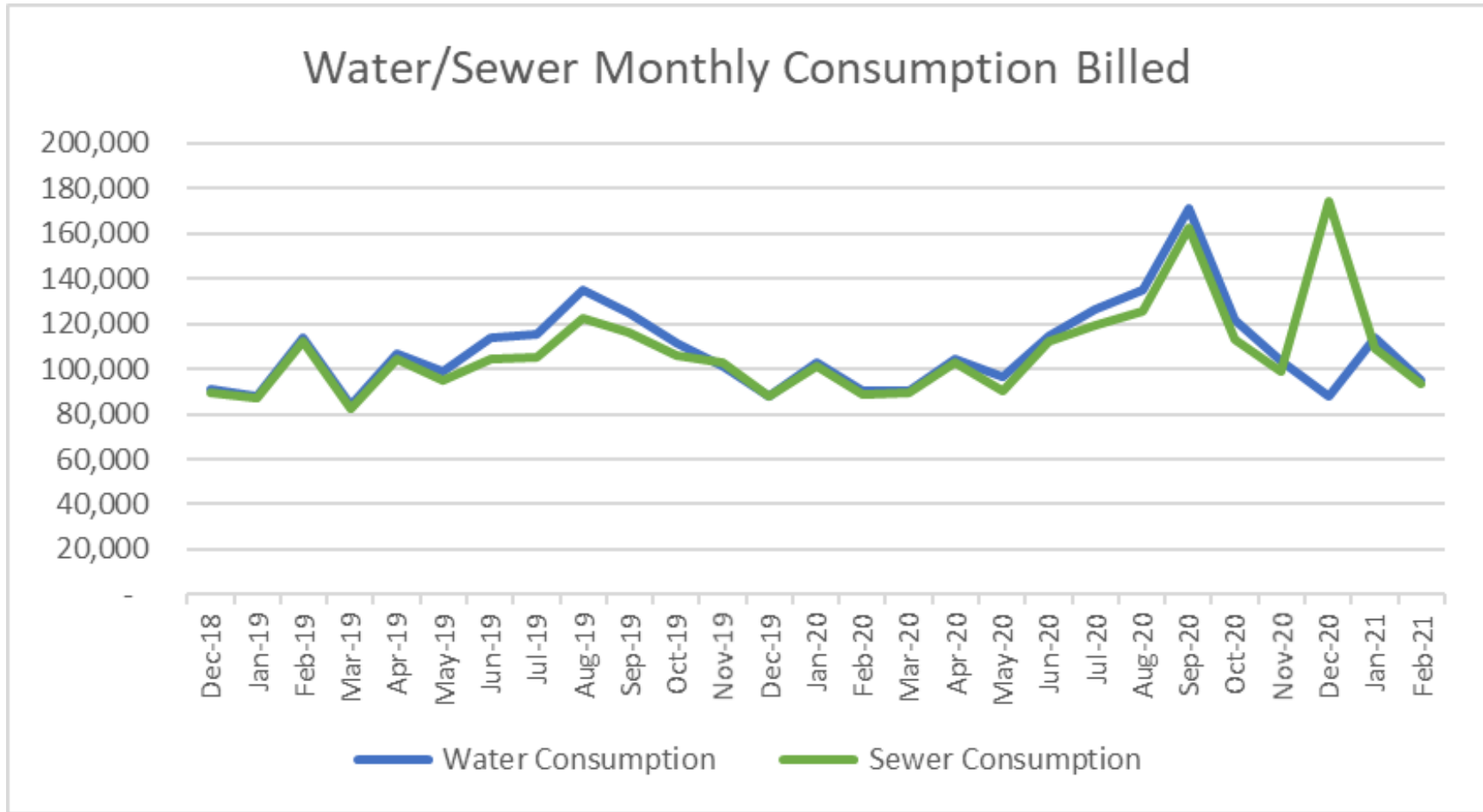
APPENDIX D

Billing Month	Consumption Period	Water Customers	Water Consumption	Water Billed	Sewer Customers	Sewer Consumption	Sewer Billed	Refuse Customers	Refuse Billed	Stormwater ERU	Stormwater Billed
Jan-19	Dec-18	12,928	91,066	\$ 425,547	12,691	89,468	\$ 515,265	14,235	\$ 293,242	36,466	\$ 91,166
Feb-19	Jan-19	12,951	88,253	\$ 423,755	12,711	86,832	\$ 511,264	14,247	\$ 293,493	27,873	\$ 69,681
Mar-19	Feb-19	12,957	113,997	\$ 469,192	12,716	111,840	\$ 576,244	14,316	\$ 294,918	27,908	\$ 69,771
Apr-19	Mar-19	12,983	84,044	\$ 403,182	12,742	82,418	\$ 485,058	14,294	\$ 294,455	27,947	\$ 69,868
May-19	Apr-19	13,050	106,911	\$ 474,402	12,810	104,035	\$ 601,199	14,349	\$ 295,593	27,949	\$ 69,873
Jun-19	May-19	13,096	99,139	\$ 456,613	12,854	95,180	\$ 553,500	14,395	\$ 296,542	28,008	\$ 70,020
Jul-19	Jun-19	13,134	113,613	\$ 494,816	12,890	104,409	\$ 604,106	14,464	\$ 297,966	27,991	\$ 69,978
Aug-19	Jul-19	13,151	115,139	\$ 499,167	12,914	105,412	\$ 559,491	14,495	\$ 298,591	28,039	\$ 70,097
Sep-19	Aug-19	13,172	134,924	\$ 575,052	12,930	122,650	\$ 697,696	14,519	\$ 299,099	28,052	\$ 70,129
Oct-19	Sep-19	13,207	125,047	\$ 544,381	12,965	116,228	\$ 661,645	14,573	\$ 300,203	28,083	\$ 70,208
Nov-19	Oct-19	13,243	111,664	\$ 504,206	13,000	106,141	\$ 608,906	14,599	\$ 300,738	28,011	\$ 70,028
Dec-19	Nov-19	13,211	100,944	\$ 483,479	12,966	103,133	\$ 596,428	14,595	\$ 300,649	27,976	\$ 69,941
Jan-20	Dec-19	13,270	87,728	\$ 431,208	13,024	87,642	\$ 522,014	14,631	\$ 301,390	36,363	\$ 90,907
Feb-20	Jan-20	13,219	102,900	\$ 480,375	12,975	101,172	\$ 587,089	14,382	\$ 296,269	28,119	\$ 70,297
Mar-20	Feb-20	13,240	90,393	\$ 431,582	12,994	88,700	\$ 522,680	14,651	\$ 301,820	28,156	\$ 70,390
Apr-20	Mar-20	13,278	90,392	\$ 433,859	13,031	89,541	\$ 527,488	14,707	\$ 302,973	28,156	\$ 70,390
May-20	Apr-20	13,333	104,347	\$ 483,078	13,086	102,909	\$ 601,266	14,681	\$ 302,426	28,247	\$ 70,616
Jun-20	May-20	13,386	96,858	\$ 460,005	13,138	90,592	\$ 534,923	14,687	\$ 302,549	28,221	\$ 70,552
Jul-20	Jun-20	13,415	114,917	\$ 528,781	13,166	111,910	\$ 642,513	14,727	\$ 303,372	28,240	\$ 70,600
Aug-20	Jul-20	13,402	126,267	\$ 569,456	13,156	119,040	\$ 675,202	14,755	\$ 303,959	28,348	\$ 70,870
Sep-20	Aug-20	13,473	134,662	\$ 592,850	13,227	125,526	\$ 706,345	14,837	\$ 305,640	28,245	\$ 70,612
Oct-20	Sep-20	13,475	171,441	\$ 649,461	13,227	162,429	\$ 916,105	14,857	\$ 306,057	28,318	\$ 70,796
Nov-20	Oct-20	13,506	121,983	\$ 537,031	13,257	113,341	\$ 656,170	14,867	\$ 306,269	28,368	\$ 70,921
Dec-20	Nov-20	13,513	103,585	\$ 481,446	13,260	99,078	\$ 576,854	14,897	\$ 306,879	28,387	\$ 70,967
Jan-21	Dec-20	13,596	88,116	\$ 429,022	13,344	174,469	\$ 1,000,075	14,926	\$ 307,486	36,651	\$ 91,627
Feb-21	Jan-21	13,589	113,480	\$ 510,649	13,337	108,889	\$ 634,005	14,984	\$ 308,666	28,450	\$ 71,124
Mar-21	Feb-21	13,611	95,261	\$ 455,609	13,361	93,516	\$ 549,420	15,008	\$ 309,159	28,461	\$ 71,152

APPENDIX D



APPENDIX D



MONTHLY INCOME TAX REVENUES

2019-2021

	2019				% OF	2020				% OF	2021				% OF
	W/H	PERSONAL	BUSINESS	TOTAL		ACTUAL	W/H	PERSONAL	BUSINESS		TOTAL	ACTUAL	W/H	PERSONAL	
JANUARY	1,570,681	603,605	80,207	2,254,493		1,706,358	637,606	44,177	2,388,141		2,124,476	695,732	32,121	2,852,329	
FEBRUARY	1,616,403	398,566	112,062	2,127,031		1,757,517	309,713	92,790	2,160,019		1,576,434	230,011	132,193	1,938,638	
MARCH	1,308,699	737,799	133,499	2,179,997		1,597,825	513,367	158,820	2,270,012		1,738,826	693,608	251,879	2,684,312	
SUBTOTAL	4,495,784	1,739,970	325,767	6,561,521	22.78%	5,061,699	1,460,686	295,786	6,818,172	23.67%	5,439,736	1,619,351	416,192	7,475,280	25.90%
APRIL	1,941,656	2,595,734	781,735	5,319,125		1,942,011	774,039	198,985	2,915,035		-	-	-	-	
MAY	1,440,447	242,575	54,049	1,737,070		1,436,969	284,090	63,824	1,784,883		-	-	-	-	
JUNE	1,696,517	732,504	153,590	2,582,612		1,486,251	546,475	182,455	2,215,181		-	-	-	-	
JULY	1,630,973	329,142	27,910	1,988,025		1,564,181	1,991,877	459,118	4,015,176		-	-	-	-	
AUGUST	1,393,601	220,627	97,863	1,712,090		1,813,509	215,388	47,643	2,076,540		-	-	-	-	
SEPTEMBER	1,742,714	764,332	253,449	2,760,494		1,470,918	797,195	287,393	2,555,506		-	-	-	-	
OCTOBER	1,688,264	281,632	96,126	2,066,022		1,803,650	308,140	128,510	2,240,300		-	-	-	-	
NOVEMBER	1,563,442	258,284	79,136	1,900,863		1,848,195	180,009	82,625	2,110,829		-	-	-	-	
DECEMBER	1,683,645	368,333	124,744	2,176,722		1,457,238	428,683	190,989	2,076,910		-	-	-	-	
TOTALS	19,277,043	7,533,133	1,994,369	28,804,544		19,884,622	6,986,582	1,937,329	28,808,533		5,439,736	1,619,351	416,192	7,475,280	

	Total Receipts	MARCH Receipts	% of Annual Collections	Projection based on ten year trend!	MARCH 2021 RECEIPTS =	
2011	17,765,717	4,452,287	25.06%			
2012	19,658,101	5,110,981	26.00%	HIGH =	22.05%	\$33,894,785
2013	20,557,766	5,020,529	24.42%	LOW =	26.00%	\$28,751,780
2014	21,537,420	5,324,992	24.72%			
2015	22,852,743	5,454,787	23.87%	LAST 3 YR		
2016	24,975,316	6,416,012	25.69%	AVG =	22.83%	\$32,737,960
2017	25,898,396	5,928,245	22.89%			
2018	27,829,347	6,137,586	22.05%	*2021 BUDGETED RECEIPTS		\$28,857,906
2019	28,804,544	6,561,521	22.78%			
2020	28,808,533	6,818,172	23.67%			
	10 Year Avg.		24.12%			



2020 BUDGET GAUGE

December 16, 2020

Current Budget Condition:

ELEVATED MONITORING

Budget Gauge	What Each Level Means
SERVICE LEVEL REDUCTIONS	Forced service level reductions; program elimination; project deferrals; staff reductions
BUDGET CUTS	Mandatory budget cuts across departments to maintain fund balances; serious evaluation of budgets and programs
BUDGET RESTRAINT	Department head directed to be more cautious of spending; show restraint in purchases and implementation of new programs
ELEVATED MONITORING	Regular monthly monitoring among CMO and budget staff; consideration of changing economic conditions
NORMAL OPERATIONS	No indicators of changing financial condition



MEMORANDUM

TO: R. Thomas Homan, City Manager
FROM: Justin Nahvi, Finance Director
DATE: April 27, 2021
RE: Sustainable Funding Options for Annual Paving Maintenance

Executive Summary

In 2020 the Public Works Department published an update on the pavement conditions of City roadway. Pursuant to this report, the City maintains 178.2 miles of roadway of which 74.5 miles or 41.8% of all roads were rated with a poor condition. Generally, governmental entities should work to attain an annual rating of 4% in poorly classified roadways as pavement has an average useful life of 25 years and a 4% benchmark equates to 1/25 of all roadway to be paved annually. The purpose of this analysis is to summarize funding options for City Council and Administration to pursue with the intent of eliminating the backlog of poorly rated roads and generating sufficient revenue sources annually to sustain a proper paving program for the ultimate benefit of the community.

For the backlog of poorly rated roads within the City, the total estimated cost to pave these roadways in 2021 dollars is \$24,820,242. If the City were to issue debt to finance the pavement of 74.5 miles to clear the known backlog, the annual debt service payments would be \$1,412,405 for debt maturing over 25 years with a 3% interest rate. In terms of the current annual paving program, \$2,178,000 in average funding is allocated to the program over the next 5 years as outlined in the 2021 Capital Improvement Program. However, \$3,800,000 in total funding is presently needed to fully pave 4% of all City roads translating into a funding deficit of \$1,622,000 each year through 2025.

When combining the estimated debt service to pave all poorly rated roadways with the existing funding deficit of the annual paving program which is calculated at \$1,622,000 the total funding gap to right size the City's pavement maintenance initiative is \$3,034,405. The following sections of this memorandum outline specific financing models that could be utilized individually or in unison to fully implement a sustainable paving program.

Option 1: Establish a Real Estate Tax Levy Devoted to Paving Maintenance

One viable funding option to raise sufficient revenue for the paving program could be accommodated through a real estate tax levy that would require voter approval. Based on the taxable valuation of property within the City of Delaware, 1 mill in taxes would raise \$892,945 annually. To fully finance the paving program, 3.5 mills would need to be levied to raise nearly \$3 million annually. As of March 2021, the average market value for a residential property in Delaware is \$276,882 per Zillow and a 3.5 mill levy would cost a homeowner \$339 annually with the noted market valuation.

Option 2: Shift the Income Tax Levy for Fire/EMS Service to Paving Maintenance

The Delaware Fire Department is financially supported by a 0.7% income tax levy as previously approved by voters. Based on income tax collections for the 2020 fiscal year, each 0.1% of the total Fire/EMS levy accounts for \$1,563,892 in revenue. Based on this level of collection, the Fire/EMS levy could be reduced to 0.5% as authorized by City Council and the City could seek voter approval to reinstate the 0.2% tax levy that would be solely dedicated for paving maintenance.

Over the 2019 and 2020 fiscal years revenue exceeded expenditures for the Fire/EMS Income Tax fund by \$1,032,161 building up the ending cash in the fund to \$10,063,975 as of December 31, 2021. This ending cash balance equaled 90.0% of total expenditures for the 2020 fiscal year which expresses a strong cash reserve for operations and future capital requirements in support of the Fire Department. However, within the five-year financial forecast for the Fire/EMS Income Tax fund, the ending cash balance declines year over year when factoring in future expenditures as outlined in the Capital Improvement Plan.

When considering the current financial health of the Fire/EMS Income Tax Fund due to revenues exceeding expenditures, coupled with future capital improvement expenditures, a limited portion of the Fire/EMS tax levy could be repurposed for paving maintenance after consideration of revenue enhancements to the Fire Department such as the implementation on EMS billing by the City of Delaware which could generate an estimated \$835,000 annually. In addition, the City is in final negotiations with Delaware County for the renewal of an EMS Service agreement that would increase EMS reimbursements from Delaware County to \$900,000 on an annual basis as compared to average reimbursements which equals \$719,314 over the prior two fiscal years thereby increasing revenues \$180,000. By combining both sources, \$1,015,000 in Fire/EMS tax revenue could be identified for reallocation to paving maintenance upon voter approval. The source of revenue would equate to 0.06% of the 0.7% of the Fire/EMS Tax Levy.

Option 3: Modify the Income Tax Rate and Credit

Over the past decade, numerous municipalities regionally have sought voter approval to modify their respective income tax rate and credit for income taxes paid to other jurisdictions. Most recently the City of Gahanna obtained voter approval to increase the tax rate from 1.5% to 2.5% with a 100% credit and the City of Powell is currently pursuing voter approval to increase the tax rate from 0.75% to 2.0% with a 100% commuter credit.

For this specific analysis, income tax filing data for the 2019 tax year was obtained and reviewed to evaluate the financial impact for the City of Delaware should the City pursue similar rate and credit modifications. As an overview, the City's current income tax rate is 1.85% with a credit equal to the lesser of 50% of the tax paid to another municipality or .00925 of the income taxed by the other City. By analyzing itemized income tax return information from 2019 it is estimated that increasing the income tax rate to 2.0% and offering a 100% credit for the tax paid to another municipality would translate into a total decline in income tax collections by \$4,977,917 from total collections of \$28,808,533 to \$23,830,616 based on 2019 data. However, if the tax rate is increased to 2.5% with a 100% credit for taxes paid to other jurisdictions, total collections would increase by \$9,289,709 from total collections of \$28,808,533 to \$38,098,242 using data from the 2019 tax year.

The variances in collections by shifting the tax rate from 2.0% and 2.5% is attributed to most jurisdictions within Central Ohio assessing a 2.0% income tax rate coupled with the population of residents that work outside of the City. With a 2.5% hypothetical income tax rate, the City of Delaware would assess taxes at a higher rate than other municipalities, therefore collections would significantly increase. The following table compares estimated tax collections at 2.0% and 2.5% as well as the impact on the three existing tax levies for review:

Category	2019 Actual	2.0% with 100% Credit	2.5% with 100% Credit
Resident Work Outside	\$ 2,932,634.73	\$ (4,115,354.38)	\$ 3,165,778.86
Resident Work in City	\$ 5,027,242.00	\$ 5,429,421.36	\$ 6,786,776.70
Non-Resident Collections	\$ 18,911,327.27	\$ 20,424,233.45	\$ 25,530,291.81
Net Profit	\$ 1,937,329.00	\$ 2,092,315.32	\$ 2,615,394.15
Total	\$ 28,808,533.00	\$ 23,830,615.75	\$ 38,098,241.52
Fund 101 General	\$ 15,556,607.82	\$ 12,868,532.51	\$ 20,573,050.42
Fund 231 Fire/EMS	\$ 10,947,242.54	\$ 9,055,633.99	\$ 14,477,331.78
Fund 233 Recreation	\$ 2,304,682.64	\$ 1,906,449.26	\$ 3,047,859.32

Option 4: Modify the Credit for Taxes Paid to Other Municipalities

As previously noted, the City of Delaware offers a credit equal to the lesser of 50% of the tax paid to another municipality or .00925 of the income taxed by the other City. For the 2019 tax year, the value of credits applied to taxpayer filings equaled \$4,428,062. If the current credit were discontinued, the estimated increase in tax collections would be \$2,391,153 for the General Fund, \$1,682,664 for the Fire/EMS Fund and \$354,245 for the Recreation Center Fund. For consideration, the previously referenced financing models to support the paving maintenance program would require voter approval to institute whereas a reduction to the income tax credit only requires authorization by City Council.

Option 5: Assess Property Owners for Paving Costs

Establishing a cost sharing funding model between property owners and the City could also be considered for the maintenance of City roadways. By using special assessments and recouping costs over the useful life of the pavement for a City street over 25 years, the City of Delaware could feasibly implement a 50/50 cost sharing standard.

Under an example assessment program, the City would be responsible for the cost of the middle 50% of the street and half of the cost of the curb removal and replacement. The property owner on either side of the street would be responsible for 25% of the cost based on their frontage and 50% of the linear feet of curb along their frontage.

For calculation purposes, the cost to repave is taken at \$3.99 per square foot. This is the cost Public Works associates with a “Poor” condition local street being repaved every 30 years. The cost per linear foot of curb removal and replacement is \$35.00. Based on the assumptions above, a one mile stretch of 28 foot wide local street in “Poor” condition would have a total cost of \$959,481.60. This would include both curb removal and replacement and paving. With the assessment, the City would be responsible for 50% of this cost, \$479,740.80. A property owner with 60 feet of frontage, would incur a cost of \$2,725.80 if paid upfront or an annual assessment of \$190.81.

Conclusion

The overall intent of this memorandum is to outline funding sources to financially sustain a proper paving maintenance program and eliminate the significant backlog of poorly rated roads within the City. As previously noted, a sustainable paving program requires an additional \$3,800,000 in funding annually to address the backlog of poorly rated roadways while maintaining the quality of roadways each year going forward. The majority of the options referenced in this analysis require voter approval. As such, alternative funding methods should be considered to aid in the maintenance of roadway infrastructure.

A primary method would include shifting General Fund appropriations from other operating areas of the City's annual budget into the paving program. As the City operates on a conservative spending basis, transferring financial resources from other departments and programs to increase paving maintenance spending could have detrimental impacts to the level of service provided to the community by the City which could have a trickle down implications on the overall quality of life for the community especially when considering that budget allocations for the Police and Parks Departments reflect 45.2% of the total budget for the General Fund in the 2021 fiscal year.

As the City experiences continual growth in population, additional miles of roadway are developed that will also require maintenance while the more streets continue to fall into a poor rating. For consideration, the City has on average added 2.6 miles of new roadway per year thereby increasing maintenance costs by \$63,000 annually and this cost does not reflect ancillary maintenance costs including street lighting, signage, and snow removal. When factoring these demographic and financial pressures upon the City's roadway infrastructure, a sustainable funding source will certainly need to be implemented over the near term to address a considerable maintenance backlog of City streets.

In addition to the financial implications associated with each alternative, there are other social factors that should be publicly discussed such as the inequity among residents imposed by certain alternatives that provide for residents who choose to work outside the City to have reduced or eliminated tax burden for maintaining City infrastructure. Assessment alternatives require unbalanced tax burden for those with larger lots, those with reduced or fixed incomes, and when not universally applied throughout the community a period equal to the life cycle of all road pavements. These need to be understood when contemplating alternatives to increase revenues to establish sustainable pavement maintenance management.