

City of Upper Arlington, Ohio

2023 FINANCIAL REPORT

Popular Annual Financial Report for the Year Ended December 31, 2023



City of Upper
Arlington®



A MESSAGE FROM THE FINANCE DIRECTOR



The reasons residents choose to live in Upper Arlington are varied, but they often revolve around quality-of-life issues. Beautiful homes and safe neighborhoods, a strong sense of community, convenient location, first-rate schools and excellent City services combine

to create an attractive, stable environment in which to reside and raise a family. These positive attributes are the result of many years of community commitment and visioning, combined with solid financial planning from your local government entities.

Members of the Finance Department are pleased to present the City of Upper Arlington's 19th Popular Annual Financial Report for the fiscal year ended December 31, 2023. The City of Upper Arlington was organized on February 8, 1941, and is a home-rule, municipal corporation organized under the laws of the State of Ohio. The City provides the following services as authorized by its charter: public safety, public services, parks and recreation, and community development. This report is intended to present an accessible overview of the City's financial position, policies and its commitment to providing responsive services and programs in a fiscally responsible manner.

Inside this publication, we provide you with details of how the City's revenue is generated, where dollars are spent, and how the local economy impacts Upper Arlington's overall financial status. Above all, our goal is to provide you with an opportunity to better

understand the many financial aspects that affect your local government.

The financial annual report information provided here is drawn from detailed information found within the 2023 Annual Comprehensive Financial Report (ACFR). The financial statements appearing in the comprehensive document were prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by an independent auditing firm, receiving an unqualified (or clean) opinion. The numbers contained within the ACFR were obtained by employing the basis of accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

In short, the highest standards of accounting principles have been utilized to ensure full financial disclosure and accountability. Recognition of this commitment is evidenced by the City attaining the Certificate of Achievement for Excellence in Financial Reporting for 36 consecutive years from the Government Finance Officers Association for its ACFR document.

While the numbers in this Popular Annual Financial Report come from the ACFR, they are presented in an abridged, un-audited, non-GAAP format. Citizens who wish to review audited GAAP-basis financial statements can refer to the City's 2023 ACFR, which is available on the City's website, at upperarlingtonoh.gov.

Members of the Finance Department and Staff across the organization are proud to serve this fine community. We hope the 2023 Popular Annual Financial Report serves its purpose and helps assure you that every effort is made to manage the community's tax dollars wisely for the benefit of all. Please enjoy this view of your City's financial health.

Brent Lewis,
Finance Director

UPPER ARLINGTON AT A GLANCE...

The City of Upper Arlington is a premier, mostly residential community within the Columbus region. Our residents are friendly, welcoming, engaged, passionate and creative, with high expectations from their local government. Reflective of the educated, family-oriented community that we serve, the City is committed to exceptional, innovative service delivery. Our safety forces prioritize community engagement as much as they focus on saving lives and law

enforcement. Our public works team builds and maintains infrastructure systems. Our parks and recreation professionals provide meaningful opportunities to gather, celebrate and enjoy our community's many amenities. Across the organization, our team members explore and embrace new ways to enhance service delivery, while furthering sustainability goals.

The City organization, its elected leaders and the community are committed to advancing

Upper Arlington as a place that is welcoming, inclusive and supportive for all who choose to live or work here, as well as all visitors to our community. With the guidance of a newly formed Community Relations Committee, the City is actively reviewing and updating its organizational policies, hiring practices and purchasing procedures to reflect this commitment.

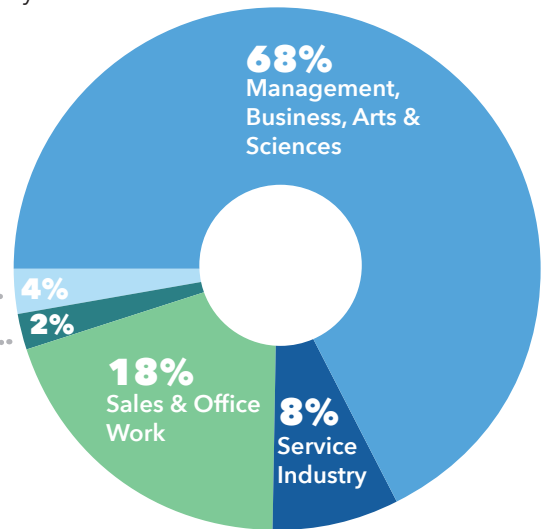
LOCATION



Upper Arlington is a premier suburb located in the heart of Central Ohio, with easy access to The Ohio State University, the 315 corridor, Battelle, major research hospitals, shopping districts such as Polaris and Easton and more.

PREDOMINANT OCCUPATIONS

Transportation & Production
 Natural Resources & Construction



UPPER ARLINGTON PROFILE (2020 US Census)

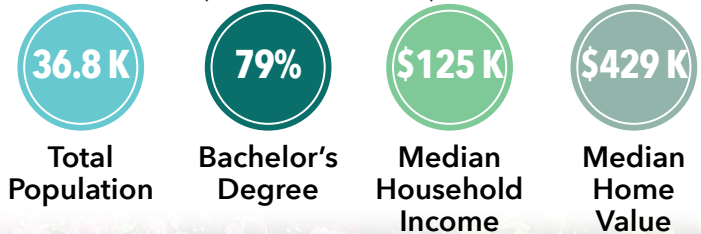


TABLE OF CONTENTS

Message from the Director	2	Capital Improvements	10
Upper Arlington at a Glance	3	Outstanding Debt	12
Revenue Highlights	4	The City's Net Position	13
Value of Income Tax	7	Envision Henderson Study	14
Where Your Property Tax Goes	7	Bob Crane Community Center	15
Expenditure Highlights	8		

FUND ACCOUNTING

The City maintains its financial records using a system called “fund accounting.” Essentially, this system is an accounting method whereby assets and liabilities are grouped according in terms of their legal basis and objectives. Each grouping, or fund, operates as a separate, self-balancing set of accounts.

The City maintains approximately 50 separate funds that are grouped into the following three categories:

- Governmental funds
- Proprietary funds
- Fiduciary funds

Governmental funds primarily consist of all the City’s primary operating funds, including the General Fund, which is the chief operating fund of the City. Proprietary funds are used to account for the business-type activities of a government, such as the separate funds that have been established for the water, sewer, stormwater, solid waste, and swimming pool activities. Fiduciary funds are used to account for assets held for the benefit of outside organizations. For example,

as part of the permitting process, the City will collect fee on behalf of the state of the City of Columbus. These funds are held in a fiduciary fund until disbursed to the appropriate entity.

This report will focus on the City’s governmental funds and proprietary funds (specifically, Enterprise funds which are subset of proprietary funds that include all of the activities noted in the previous paragraph) due to these funds accounting for the majority of the City’s operating, capital, and debt-related activities.

REVENUE HIGHLIGHTS Governmental Funds

In 2023, the governmental fund revenues grew by approximately \$24 million (36%) over the previous year’s total revenue amounts. While the City continued to see solid growth in tax revenues, the majority of the growth resulted from an increase in investment earnings, receiving grants related to capital projects and payments received in lieu of taxes related to several of the large development projects going on around the City (intergovernmental), and donations received towards the construction of Bob Crane Community Center (other).

Income and property taxes continue to be the City’s largest sources of revenue, typically accounting for 70-75% of total governmental fund revenues. Over the last

three years, the combined tax revenues have reached approximately 80% of total governmental fund revenues. The growth in these areas can be directly attributed to continued development throughout the City, growth in the local economy, and property value increases. It is extremely important that these two revenue sources (income and property taxes) continue to grow each year to support ongoing City operations.

The City broke a two-year trend in 2023 of reporting negative investment earnings. These negative investment earnings were the result of reporting requirements (positive investment receipts offset by large unrealized losses that arose from an extremely volatile market and a period of low interest rates). While the same reporting requirements applied in 2023, the City benefited from an increase in cash investments and higher rates of return (\$5.4 in actual income received in 2023, as compared to 1.1 million in 2022).

GOVERNMENTAL FUNDS THREE-YEAR REVENUE SUMMARY BY TYPE

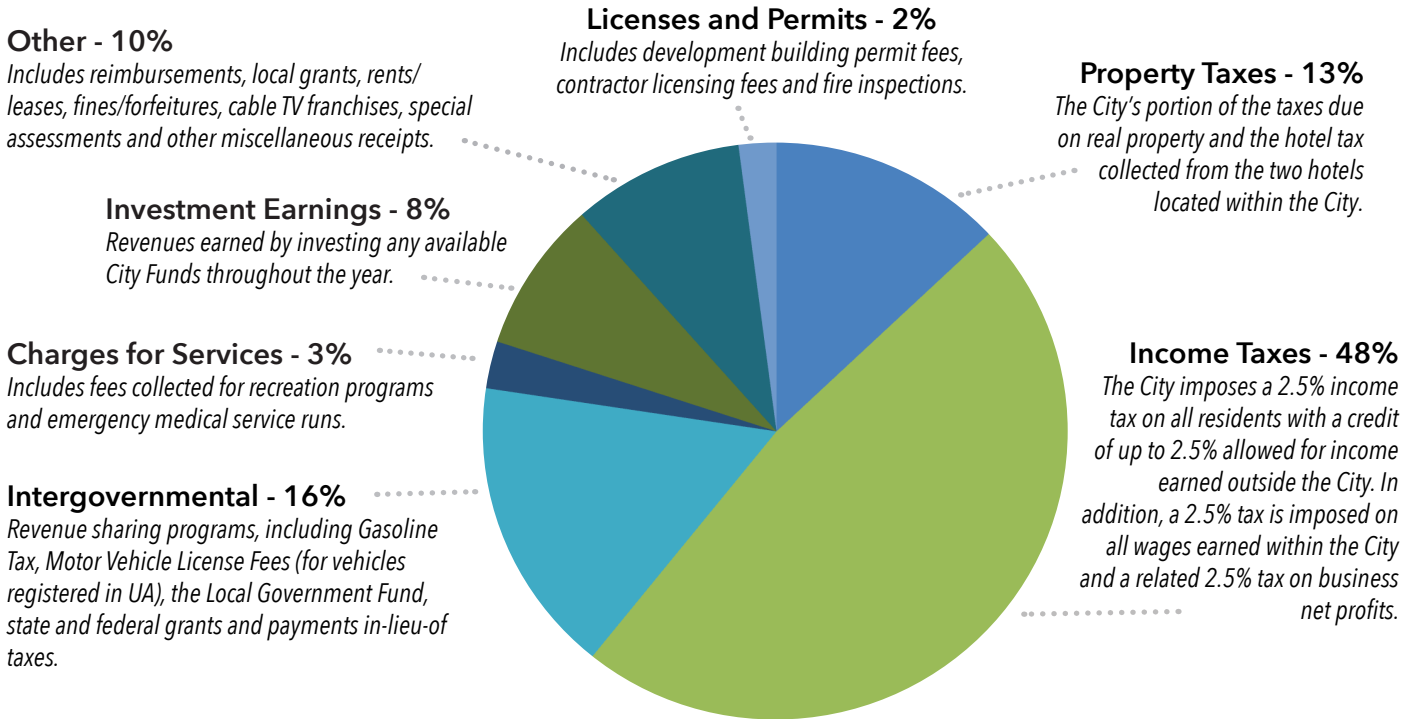
REVENUE	2023	2022	2021
Property Taxes	\$12,330,586	\$12,131,302	\$11,454,836
Income Taxes	45,066,015	42,103,625	35,866,221
Intergovernmental	15,470,901	10,083,611	8,288,013
Charges for Services	2,448,009	2,383,362	1,917,036
Licenses and Permits	1,990,208	2,090,323	1,881,991
Investment Earnings	7,898,734	(2,107,497)	(349,564)
Other	9,002,049	2,625,797	2,261,587
Total Revenues	\$94,206,502	\$69,310,523	\$61,320,120

The table to the left presents a three-year summary of governmental revenues by primary type to provide a picture of what typical revenues look like annually. The revenues reflected are representative of the City’s fund level statements and do not include bond proceeds or the City’s Enterprise Funds.

GOVERNMENTAL FUNDS - 2023 REVENUES BY SOURCE

The pie chart below depicts the significance each source of revenue has to the City's overall fiscal health. Income taxes lead the way and clearly emphasize the importance of a proactive economic development program to keep this revenue stream

strong. Property taxes represent the second largest revenue stream, but as you will see on page 7, the portion of your property tax that is received by the City is comparatively small (7%).



FIRE OPERATIONS STUDY & STRATEGIC PLAN

For all the services the City provides, it makes sense to periodically go through an evaluation process, to see how operations compare to other agencies, to identify best practices, and to seek opportunities for efficiencies.

In 2023, the Center for Public Safety Management, LLC undertook a study of the City's Fire Division. Study findings highlighted the many strengths of the division, will also developing a series of recommendations. This included:

- Some structural adjustments within the division to better align with the division's contemporaries.
- Creation of a succession plan.
- Development of a long-term strategic plan to address shifting fire and medical emergency needs as the City's commercial districts continue to evolve.



- Enhancement of the division's training regimens, with a focus on regular structural fire training.
- Facilities planning, including needed renovations at Station 71 on Arlington Avenue, and the potential future reinitiation of former Station 73 on Coach Road.

Early in 2024, the division began its

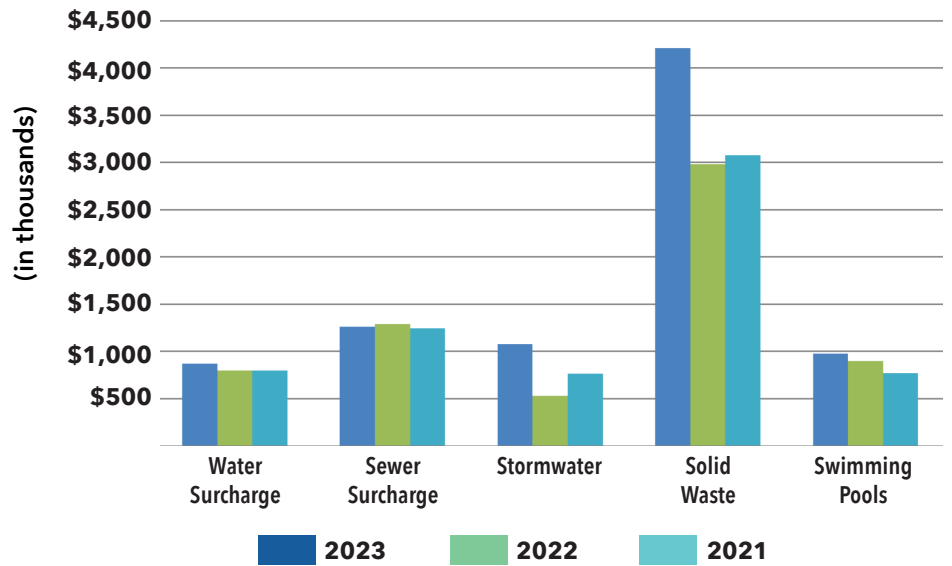
strategic planning process, contracting with AP Triton, LLC to develop the plan on its behalf. This process has included community engagement, stakeholder interviews, a review of service need trends and more. The final strategic plan recommendations will be shared late fall, enabling the division to incorporate near term adjustments within the City's 2025-2026 budget planning process.

ENTERPRISE FUNDS - REVENUE

The enterprise fund revenues are primarily generated from fees that are used to maintain and improve the City's water, sewer and stormwater infrastructures, and to cover the costs associated with providing residents with solid waste collection and three public swimming pools.

The City's water and sewer services are provided by the City of Columbus. Though Columbus provides these services, Upper Arlington is required to provide and maintain the water and sewer lines. In order to fund the maintenance and improvements, a 15% (water) and 23% (sewer) surcharge is added to the City of Columbus' billed cost of the service. All other fees are billed and collected directly by the City. They include:

- A **\$45 stormwater fee** on each residential household to fund maintenance and improvements to the City's stormwater infrastructure. The \$45 fee has remained consistent since 2011. Other types of properties including multi-family, condominiums and commercial also pay a stormwater fee.
- A **\$300.50 solid waste fee** (plus or minus any premium



service or senior discount) on each residential household for operation of the solid waste collection program. The fee was last increased in 2023.

- **Various fees** are charged to residents (and non-residents) for use of the City's three swimming pools. These revenues are dedicated to operations, maintenance and improvements.

Since the primary business-type revenues are fee-based, the revenues

from year-to-year can vary based on fee amount, usage, the number of households with the City, and the timing of payments. In 2023, the water and sewer surcharge revenues stayed consistent with the past couple of years, while solid waste revenues were impacted by the increased fee and swimming revenues were impacted by increased rates and the weather. While stormwater fee revenue remained relatively consistent, this fund receives interest income, which grew substantially during the year.



THE VALUE OF INCOME TAX

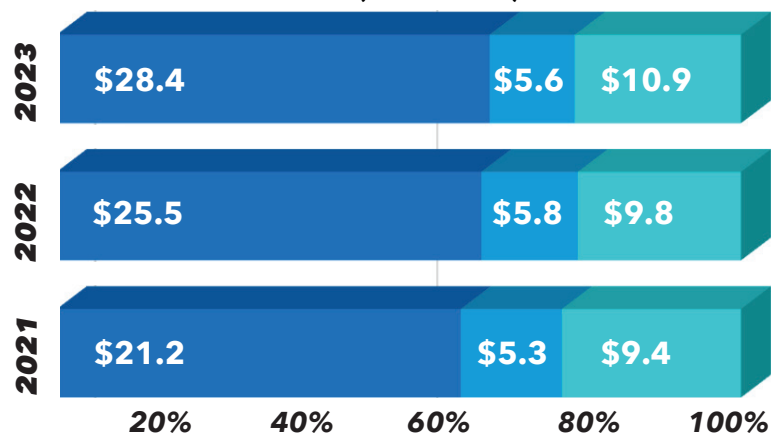
Income tax revenue is generated from an income tax rate of 2.5%, which applies to both earned income and business net profits. The income tax revenue is generated from three components: withholdings remitted by employers, filings by individual residents earning income in the City, and the net profits of businesses located in or doing business in the City.

Residents who work outside Upper Arlington pay their income tax to the community in which they are employed. However, if a resident works in a community with a rate below 2.5%, the difference between the two rates is remitted to Upper Arlington. This is a significant source of income to the City because we are considered a bedroom community, where approximately 70-80% of the

total income earned by residents occurs in other communities. The same fact is presented in a slightly different manner in the table below (presented on the cash basis) which shows approximately 63% of the City's income tax revenues come from employer withholdings (residents and non-residents working in the City), while just over 12% comes from taxes on business net profits.

INCOME TAX CATEGORIES (CASH BASIS)

(in millions)



WITHHOLDING

2.5% tax due on all employees who work in the City, typically withheld from their salary and paid to the City by the employer.

NET PROFITS

2.5% tax levied on the profits realized by UA businesses after other taxes have been applied.

INDIVIDUAL

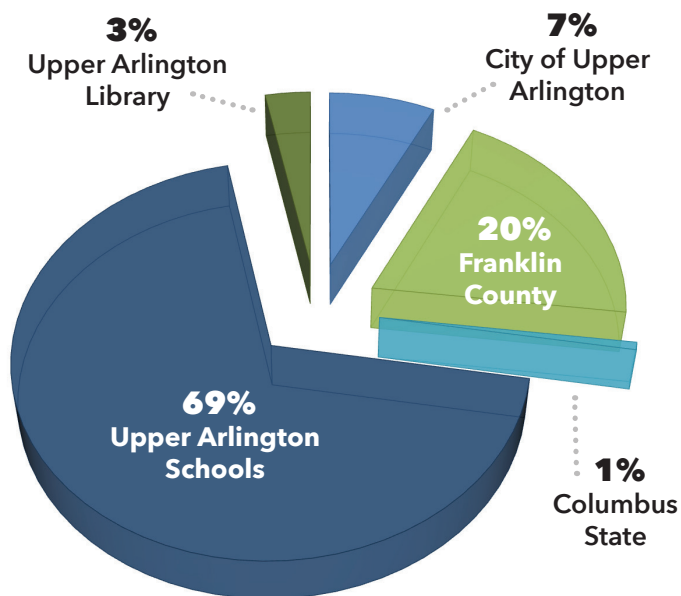
2.5% tax due on most additional income earned by individuals, including partnerships, trusts, sole proprietorships, rental income and gambling/lottery winnings.

WHERE YOUR PROPERTY TAXES GO

One of the largest bills residents typically face each year are the taxes on the property they own. Property tax in Upper Arlington is administered by Franklin County, and is usually calculated into the monthly mortgage payment. As a result, it is not always thought of in concrete terms nor is it explored in detail on how this funding mechanism is used.

As the pie chart indicates, only a small portion of the property taxes paid by Upper Arlington resident support the City of Upper Arlington. The majority of the taxes paid support the Upper Arlington School District and various Franklin County levies. Concurrently, property taxes still account for one of the City's largest and most stable revenue sources, representing approximately 19% of total governmental revenues.

For more information regarding property taxes, including a calculator to determine your valuation and how your taxes are distributed, contact the Franklin County Auditor's office or visit franklincountyauditor.com.



WHERE THE MONEY GOES

Expenditure Highlights – Governmental Funds

A three-year comparison of the City's Governmental Fund expenditures is presented below. The table shows a continued focus on the City's 10-year Capital Improvement Program and construction of the Bob Crane Community Center (debt service and capital outlay) and operating expenditures that have steadily increased to almost \$47 million in 2023. In total, 2023 governmental fund spending increased by \$19.5 million (21%) as compared to 2022. The growth in expenditures can be broken down as follows: +9.1 million

in capital spending, +5.7 million in debt service spending, and \$4.7 million in operational spending.

Of the \$51 million in capital outlay expenditures, just about the entire amount was associated with the City's 10-year Capital Improvement Program and/or the community center project. The remaining amounts were spent on public improvements associated with development projects and equipment or machinery for the various departments throughout the City.

The City's operational expenses have not been immune to the impact of inflation. The City has seen increases across the board due to increased labor and goods/service costs. Despite the increase in costs, public safety continues to be an important community priority and, as such, consistently ranks as the largest of the operating expenditures. Large workforces are required around the clock, in addition to the need to maintain extensive equipment and facilities. As a result, safety in Upper Arlington is considered one of the community's best attributes, often cited by residents as a reason for living here.

GOVERNMENTAL FUNDS

THREE-YEAR EXPENDITURE BY TYPE

EXPENDITURES	2023	2022	2021
Public Safety	\$21,244,679	\$19,699,939	\$19,575,276
General Government	13,189,048	11,820,576	9,979,265
Public Service	6,205,703	4,926,370	4,487,005
Parks & Recreation	4,953,860	4,540,716	3,984,991
Community Development	1,260,945	1,143,170	1,172,192
Subtotal	\$46,854,235	\$42,130,771	\$39,198,729
Debt Service Payments	15,525,416	9,845,522	9,395,659
Capital Outlay	51,015,261	41,899,869	24,702,685
Total Expenditures	\$113,394,912	\$93,876,162	\$73,297,073

Just like most organizations, the largest operating cost of the City is personnel. With nearly 250 full-time employees, and several hundred seasonal staff, personnel costs account for at least 60% of operating expenditures.

ELECTRIC AGGREGATION PROGRAM

Following an extensive review and community engagement process to explore the merits of offering the community a new electric aggregation program, City Council approved an Upper Arlington/SOPEC Electric Aggregation Program in the fall of 2023.

Primary goals for the program are to facilitate stable and lower cost electric utility services for residents and business customers, to ensure

the provision of reliable and first-rate customer service, and to support renewable energy with a brown energy option for customers.

As 2023 drew to a close, SOPEC and the City reviewed market rates and terms from AEP Energy bids and locked in pricing starting in January of 2024 through June of 2025.

In November, 11,318 eligible households and businesses (75% of the

community) received a notice detailing the terms of the program. A small number of eligible customers - 347 or 3% of the community - chose to opt out. As a result, approximately 72% of the community is now enrolled in the Upper Arlington/SOPEC Electric Aggregation Program.

Full details of this program can be found on our Electric Aggregation webpage, at upperarlingtonoh.gov.

GOVERNMENTAL FUNDS 2023 OPERATING EXPENDITURES BY TYPE

The pie chart shown here provides a further view and description of the City's operating expenditures. As previously noted, public safety consistently ranks as the largest outlay and is also recognized as an important community priority. Large workforces are required around

the clock, in addition to the need to maintain extensive equipment and facilities. As a result, safety in Upper Arlington is considered one of the City's best attributes, often cited by residents as a reason for choosing to live here.

Community Development - 3%

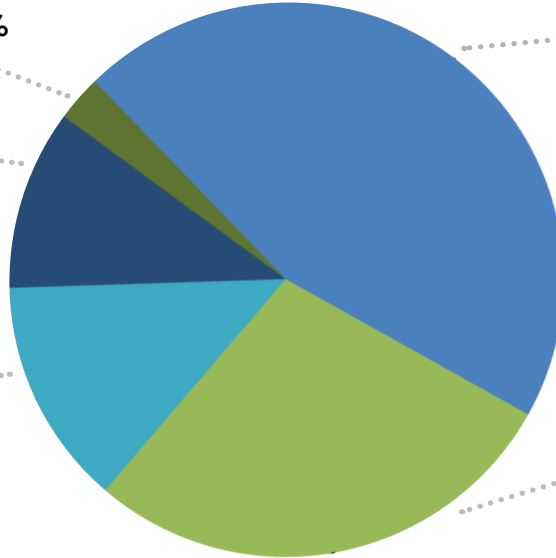
Encompasses Building Standards, Code Compliance, Zoning and Planning.

Parks & Recreation - 11%

Encompasses the services, programs and facilities provided by: Cultural Arts, Parks & Forestry, Tennis, Recreation; Senior Center.

Public Service - 13%

Encompasses Public Works, Engineering, Electrical, Streets/Utilities.



Public Safety - 45%

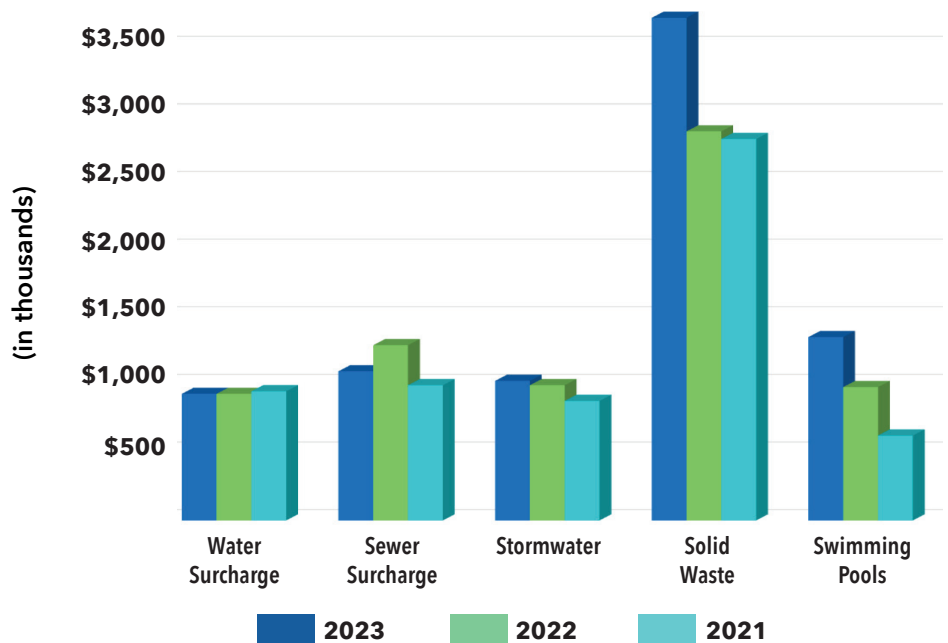
Encompasses the Police and Fire divisions. The Police Division is comprised of: Patrol Bureau; Investigations; Support Services (Training, Community Relations & Education). The Fire Division is comprised of: Fire; Emergency Medical Services; Fire Prevention & Inspections; Community Relations & Education.

General Government - 28%

Functions serving City operations as a whole, including: Fleet Maintenance, City Manager's Office, City Attorney's Office, Mayor's Court, Finance, Building Maintenance, Information Technology, General Administration.

ENTERPRISE FUNDS - EXPENSES

Expenditures in the City's enterprise funds typically stay consistent from year to year. The growth or reduction in the in the City's utility funds (Water, Sewer, and Stormwater Funds) represents how the Public Works Division's workload was allocated during the year. While the expenditures in the Swimming Pool Fund will be effected by the number of days/hours the pools are open, the cost of chemicals, and what type of maintenance is required. The increase in the solid waste expenditures resulted from the increased costs related to the City's third-party hauling contract and continued expansion of the food waste composting program.



NOTE: The data included in the review of revenues and expenditures provides an abridged summary of the City's detailed financial statements as presented in the ACFR for the year ended December 31, 2023, prepared in accordance with Generally Accepted Accounting Principles, and does not reflect the Upper Arlington Community Improvement Corporation, a component unit of the City.

CAPITAL IMPROVEMENTS

2023 represented the tenth year since the implementation of the City's 10-year Capital Improvement Program. Since the City expanded its Capital Improvement Program to 10 years, approximately \$138 million has been invested in our streets, waterlines, bridges, sanitary sewer lines, streetlights and traffic signals, with positive results. Additionally, the

City has been able to maximize the community's reinvestment in its streets and underground infrastructure by securing more than \$25.8 million in grants or low/no interest loans to help fund projects for years 2015-2024, representing approximately 10% of the costs for the entire 10-year program.

The most recent two-year street pavement conditions rating exercise—a

process for measuring road conditions to help prioritize projects—continues to demonstrate a significant overall improvement: the average rating for pavement condition has shifted from 82.7 in 2012 to 88.56 in 2024 (out of 100); and curb conditions have improved from an average of 2.3 in 2012 to 2 in 2024 (on a scale of one to five, with one being the best condition).

2023 CAPITAL IMPROVEMENT HIGHLIGHTS

Fishinger Road Reconstruction & Waterline

The first phase of long awaited improvements to Fishinger Road began toward the close of 2022, enhancing the connectivity and aesthetics of this major thoroughfare. Phase II - which began in 2023 - completes the project, running from Mountview to Riverside Drive. Both phases include full street reconstruction, new curb and gutter, improved LED streetlights, new sidewalks and a shared-use path. Concurrent with these improvements, a new waterline has been installed. Combined, the Fishinger Road construction and waterline improvements exceed \$18 million, however the City was able to secure alternate funding sources of more than \$10 million to offset the City's investment.

Street Reconstruction Program

Street reconstruction projects comprise full pavement replacement, new curb and gutter and driveway approaches. For 2023, sections of Haviland, Malvern, Suffolk and Welsford roads, Merriweather Drive and Oakridge Court received these improvements.

Street Maintenance Program

Sections of 13 streets underwent street maintenance improvements, which comprises street resurfacing and spot curb and gutter repairs.

Wakefield Forest Traffic Calming

The Wakefield Forest neighborhood by the UA High School received additional traffic calming measures totaling approximately \$435,000. This included permanent improvements to the intersection of Trentwood Road and Mount Holyoke Road, pedestrian crossing improvements at the intersection of Northwest Boulevard and Trentwood Road, traffic-calming on Brandon Road and Mount Holyoke Road, and one-way westbound roadway geometry improvements at Northwest Boulevard and Trentwood Road.



Lane Avenue Shared-use Path

A shared-use path was installed along the north side of Lane Avenue, between Asbury Road and Riverside Drive. This will connect to a future shared-use path heading south on the west side of Riverside Drive to the Trabue Road bridge, providing direct access to the Quarry Trails Metro Park. The City secured a \$330,000 State Capital Grant to help fund the project.

HOW CAPITAL INVESTMENTS ARE FUNDED

As mentioned previously, the City continues focus on investing in its capital infrastructure, which consists of investments in our underground and surface infrastructure (sewer and water lines, roads, traffic lights, bridges, etc.), capital equipment, public facilities and parks.

The City has adopted financial policies that includes guidance for maintaining a 10-year Capital Improvement Program (CIP) with the goal of achieving the annual replacement cost of the infrastructure based upon service life of each component. Using these policies, along with the debt policies, the City sets forth a capital improvement plan that consists of a combination of cash and debt financing.

The main source of funding for capital improvements is a 28% allocation of its income tax revenues. However, the City also annually allocates a portion of its general tax revenues (\$1.25 million in 2023), monies generated from the water and sewer surcharge and stormwater utility bills, and monies generated from specific economic development projects towards its annual capital improvements. The combination of these sources are used to pay off existing capital-related debt, newly issued capital-related debt, and cash funding of capital projects.

Three-Year Capital Investment Summary

Investment Type	2023	2022	2021
Governmental Funds			
Capital Equipment	\$1,358,985	\$ 866,006	\$ 1,357,812
Capital Improvements	44,326,682	39,866,379	22,798,152
Subtotal	45,685,667	40,754,385	24,155,964
Enterprise Funds			
Capital Equipment	68,888	36,195	132,338
Capital Improvements	6,197,416	17,204	-
Subtotal	6,266,304	53,399	132,338
Total Capital Investment	\$ 51,951,971	\$ 40,807,784	\$ 24,288,302

General obligation bonds are the primary source of debt issued for capital improvements (see outstanding debt section). In 2023, nearly 70% of the improvements were financed using debt proceeds and 30% were financed using existing cash, grants, etc.

Since there are specific limits on the amount of general obligation debt that can be issued, the City has issued special obligation bonds for capital improvements associated with specific economic development projects (i.e. parking garage, water/sewer line upgrades, etc.). These bonds are also highly rated by Moody's Investors Service (Aa1) and S&P Global (AAA), which allows the City to borrow money at very favorable interest rates.



TRIPLE A RATINGS

The City is proud to have attained a bond rating of Aaa from Moody's Investors Service and a rating of AAA from S&P Global - the highest ratings obtainable. These credit ratings allow the City to borrow money at very favorable interest rates.

OUTSTANDING DEBT

As noted previously, the City issues long-term debt to fund a portion of its capital program. The City's financial policies include guidance regarding when the City should consider issuing debt, how much debt can be issued, and what type of debt can be used.

As of the end of 2023, the City has three types of long-term debt instruments outstanding:

General Obligation Bonds - These are long-term bonds (20-30 years) that are backed by the "full faith and

Two-Year Debt Summary (in thousands)

Debt Type	2023	2022
General Obligation Bonds	\$86,110	\$92,575
Special Obligation Non-tax Revenue Bonds	\$75,125	63,730
Special Obligation Income Tax Revenue Bonds	50,500	-
Loans	2,067	2,294
Total Debt	\$ 213,802	\$ 158,599

credit" of the City. The repayment source is primarily funded using income tax collections that have been set aside for capital investments or its related debt.

Special Obligation Debt - These are long-term bonds (20-30 years) that are backed by a specific revenue source (i.e. nontax revenues). The repayment source is primarily revenues generated from specific economic development projects (payment in lieu of tax, income taxes, etc.). To date, the City has used this type of long-term debt for the public infrastructure components of the Lane II, Gateway, and Kingsdale projects. During 2023, the City issued \$50.5 million in special obligation bonds (income tax) to fund the construction of the Bob Crane Community Center. Though these bonds are income tax backed, the primary source of repayment will continue to be payments in lieu of taxes (TIF revenues), hotel tax revenues, and other sources of revenue, as previously presented.

Loans - These are long-term, low-interest loans (20-30 years) issued through other governmental entities. The City currently has outstanding loans with the Ohio Public Works Commission and the Franklin County Infrastructure Bank.

Balance of Bonds & Loans Payable



COMMUNITY RELATIONS COMMITTEE

Formed in the fall of 2020, the City's Community Relations Committee (CRC) has been working to advance Upper Arlington as a welcoming community for all. Two significant programs initiated by the CRC gained significant traction in 2023:

CRC Innovation Small Grant Program

This program provides seed/support funding for programs and events that are aligned with the goals of the CRC. For 2023, grants were provided for the following:

- Upper Arlington Historical Society's History Speaks series
- The Upper Arlington Civic Association's Neighbors Night Out special event
- St. Mark's Culture & Artisans Fair
- Rainbow UA's UA Pride special event
- The Upper Arlington High School's hUmAn Connections Festival

CRC Welcome Series

Launched in the fall of 2023, and timed around National Welcoming



Community Relations Committee

Week, the Welcome Series brings together various community groups to include a new resident welcoming component in their respective programming.

Both programs were expanded in 2024, becoming hallmarks of the work of the Committee.



THE CITY'S NET POSITION

Net position is essentially the difference between the City's assets and liabilities. Over time, increases or decreases in net position can serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Over the past three years, the City's total net position has grown by almost \$75 million, or approximately \$25 million per year. This significant increase is directly related to the City's focused efforts on its capital infrastructure, offset by the debt that associated with said capital investments, and the continued growth in its tax revenues.

Net position is further broken down into the following three components:

Net Investment in Capital Assets – The largest portion of the City's overall net position reflects its investment in capital assets (land, buildings, improvements, equipment, and infrastructure), less any related outstanding debt used to acquire those assets.

Restricted – This is the portion of net position which represents resources subject to restrictions on how they may be used. This includes limitations imposed either through

legislation or through external restrictions imposed by creditors, grantors, or other governments.

Unrestricted – The balance of net position is classified as unrestricted and ultimately may be used to meet the government's ongoing obligations to its citizens and creditors. It is important to note that the unrestricted net position of the City's business-type activities may not be used to fund governmental activities.

Despite the continued increase in total net position, the unrestricted portion remains in the negative for Governmental Activities. The negative balance is the product of spending down existing unrestricted fund balances on capital-related projects, recording liabilities and expending income tax dollars for business-type related capital assets (i.e. water lines, sewer lines, etc.), and the requirement to record net pension and other post-employment liabilities in accordance with the Governmental Accounting Standards Board (GASB) Statements No. 68 and 75 (see full ACFR for further explanation).

Net Position (in thousands)

	Governmental Activities			Business-type Activities			Total		
	2023	Restated 2022	2021	2023	2022	2021	2023	Restated 2022	2021
Net investment in capital assets	\$84,571	\$81,605	\$73,466	\$59,013	\$54,350	\$52,192	\$143,584	\$135,955	\$125,658
Restricted	55,919	40,096	41,697	-	-	-	55,919	40,096	41,697
Unrestricted	(1,766)	(9,720)	(21,961)	9,736	8,512	7,670	7,970	(758)	(14,291)
Total net position	\$138,724	\$112,431	\$93,202	\$68,749	\$62,862	\$59,862	\$207,473	\$175,293	\$153,064

ENVISION HENDERSON

For much of 2024, the City is focusing on its northern edge, as it works to develop its “Envision Henderson” West Henderson Road Vision Plan. This study is the next logical step for the corridor, following recent zoning updates within the office district centered around Arlington Centre Boulevard, a process that was finalized at the close of 2022 (see page 5).

MKSK, a local community planning and urban design firm, is heading up the process on behalf of the City, with support from Burgess & Niple, Jones Architectural Studio, and Toole Design.

The study area runs from Stonehaven Drive/Chevy Chase Court on the west, to Reed Road on the east. The planning process includes an evaluation of prior studies and plans for the corridor, a review of existing regulations, meaningful public involvement to gather community input about the corridor, consideration of prospective regulations for future redevelopment opportunities, and an exploration of complete streetscape concepts to safely accommodate all users. The final plan will highlight an aspirational, yet achievable vision for the corridor that will be supported by policy recommendations, recommended roadway and streetscape improvements, potential site concepts, and guidance for funding and implementation.

Why the Study is Happening

The Henderson Road commercial corridor and what happens to it is important to the City for several reasons.

The Central Ohio region is growing rapidly, and every community - Upper Arlington included - is feeling the impacts and pressures of this change. How



communities prepare for what's to come, will be key to their longterm health, identity and vibrancy.

West Henderson Road is the last major business district within the City with the potential for significant change, similar to what has been occurring along Lane Avenue and at Kingsdale. However, unlike Lane Avenue and Kingsdale, a combination of factors make the district a more complex proposition for prospective developers, with no significant projects emerging to date under the City's existing Planned Mixed-Use District framework:

- Henderson Road serves as the boundary between Upper Arlington and the City of Columbus. With multiple property owners, and different zoning and design standards for each jurisdiction, the resulting developments over the years have created an inconsistent look and feel.
- The district is located at the northern edge of the community instead of a more central location, with diminished access to the region's network of highways, and lacks a defined sense of place.

- The current road configuration does not reflect contemporary safety, access, streetscape and aesthetic expectations.

As a result, the district is aging and at risk of decline or inconsequential reinvestment on a parcel by parcel basis - a future that fails to solve some of the big picture issues that could ultimately transform this district into a vibrant community gateway that features new housing options, businesses and amenities, within an attractive, accessible environment.

Learn More and Get Involved

There's still plenty of time to learn about this study and to share your ideas for the future of the Henderson Road Corridor. Use the QR code below to access our Envision Henderson webpage.



BOB CRANE COMMUNITY CENTER

Upper Arlington is on the cusp of realizing a long-held community need, with construction of the Bob Crane Community Center underway in the heart of the community.

After many years and several studies, findings of the 2018 Parks & Recreation Comprehensive Plan highlighted residents' interest and need for a centrally located indoor recreation facility. In July 2019, City Council formed the Community Center Feasibility Task Force, which undertook an 18-month study, concluding that it was feasible for the City to construct, operate and maintain a community center.

In January 2021, Council approved legislation to bring the proposed facility to a vote of the people and to authorize the funding mechanisms that would enable the City to construct, a Community Center without any increase in City income or property taxes. The May issue passed by approximately 80%.

Following the election, the City secured a design team (led by MSA Sport), a construction team (Elford and Continental Building Systems) and a construction management firm (Pizzuti Solutions). Early design work included extensive community engagement, revisiting the original feasibility study, and taking the project from a concept to a complete design.

By early 2023, the project was ready and the community gathered in April for a groundbreaking ceremony.

Named after the lead donor from the Upper Arlington Community Foundation's \$8 million Capital Campaign, the Bob Crane Community Center is expected to open in the Spring of 2025.

The Facilities

- Indoor pool
- Locker rooms
- Fitness & exercise spaces



- 3 gymnasiums (one multi-purpose)
- Senior lounge
- Child watch
- E-sports room
- Programming classrooms
- Party room & meeting spaces
- Event center
- Walking/running track
- Skyline balcony and outdoor deck
- Social gathering spaces

Financial Highlights

Detail	Amount
Bonds	\$62.05M
Existing City Cash	\$14M
Private Funding	\$8M
State Grant	\$.45M
TOTAL COST	\$85M

Two bond issuances are helping to fund this project: Income tax revenue bonds not to exceed \$55 million, to be repaid through various sources, including Tax Increment Financing (TIF) funds and current and generated revenue sources from the new development; a second issuance of \$13 million to finance leasable space within the building.

Capital Campaign

The Upper Arlington Community Foundation's Community Center Capital Campaign successfully reached its goal of \$8 million in private donations to help support the project.

OSU Wexner Medical Center

OSUWMC has signed a 15-year lease with the City for space on two levels of the building, to house cancer survivor services, integrative medicine and physical therapy services. The lease will generate more than \$1 million annually in lease payments. It is also expected to generate more than \$175,000 in annual income tax revenues from their employees who will be working at the facility.



BUSINESS HOURS

Municipal Services Center

Monday-Friday, 8 am-5 pm

Public Service Center

Monday-Friday, 7 am-4:30 pm

2023 Popular Annual Financial Report

The City of Upper Arlington is proud of its record as a fiscally prudent and responsive municipality. The Finance Division has been recognized consistently for maintaining exceptionally high standards:

Award for Outstanding Achievement in Popular Annual Financial Reporting - 18 years

Certificate of Achievement for Excellence in Financial Reporting - 36 years

Distinguished Budget Presentation Award - 33 years

Bond rating of Aaa from Moody's Investors Service and a rating of AAA from S & P Global - The Highest Ratings Obtainable

2024 UPPER ARLINGTON CITY COUNCIL



FROM LEFT: Todd Walter, Kathy Adams, Brian Close (Vice President), Ukeme Awakessien Jeter (President), Jim Lynch, Heidi Munc, John Kulewicz



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Upper Arlington Ohio

For its Annual Financial Report for the Fiscal Year Ended December 31, 2023

Christopher P. Morvill

Executive Director/CEO



Steve Schoeny
City Manager



Brent Lewis
Finance Director

This Popular Annual Financial Report (PAFR) is intended to summarize the financial activities of the City of Upper Arlington and is drawn from the financial information appearing in the 2023 Annual Comprehensive Financial Report (ACFR). Copies of the ACFR are available at the libraries and can be viewed on the City's website as well as a digital version of the PAFR. The data included in this review is not prepared in accordance with GAAP as only a portion of the City's financial statements is presented.