

City of Upper Arlington, Ohio

2022 FINANCIAL REPORT

Popular Annual Financial Report for the Year Ended December 31, 2022



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 18th Popular Annual Financial Report for the fiscal year ended December 31, 2022. 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 2022 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 35 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 and do not include the City's discretely presented component unit, the Community Improvement Corporation. Citizens who wish to review audited GAAP-basis financial statements can refer to the City's 2022 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 2022 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.

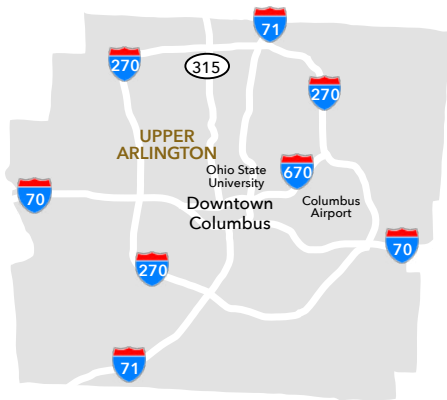
Brent Lewis,
Finance Director

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.

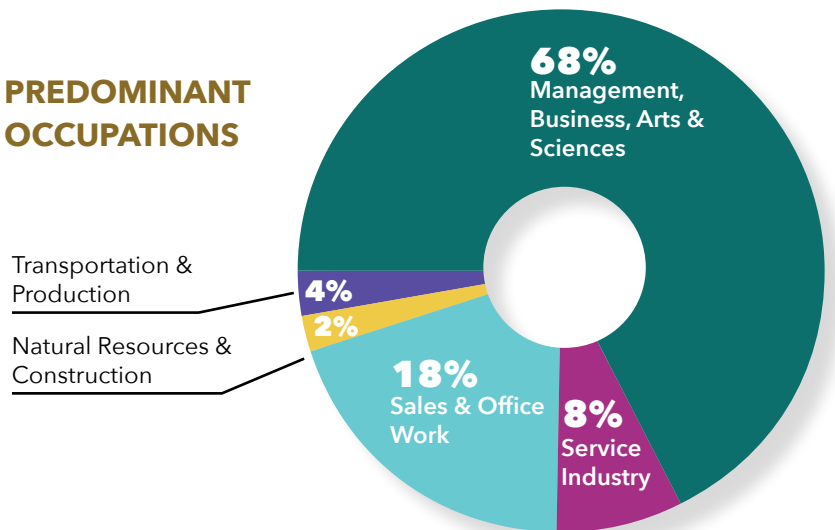
The City organization, its elected leaders and the community are committed to advancing Upper Arlington as a place that is welcoming, inclusive and supportive for all who choose to live or work here, as well as all visitors to our community. With the guidance of a newly formed Community Relations Committee, 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 much more.

PREDOMINANT OCCUPATIONS



UPPER ARLINGTON PROFILE (2020 US Census)

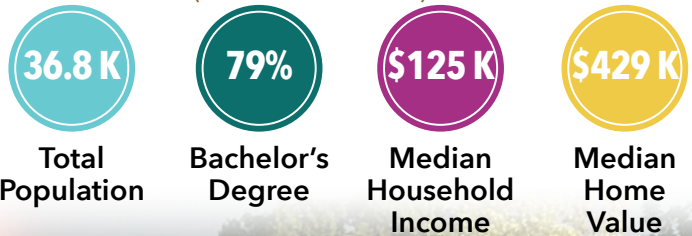


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FUND ACCOUNTING

The City maintains its financial records using a system called “fund accounting,” an accounting method whereby assets and liabilities are grouped according to 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, and fiduciary funds. Governmental funds primarily consist of 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 collects fees on behalf of the state of Ohio and the City of Columbus. These funds are held in a fiduciary fund until disbursed to the appropriate entity.

This report focuses on the City’s governmental funds and proprietary funds (specifically, Enterprise Funds which are a subset of proprietary funds that include all of the activities noted in the previous paragraph) since these funds account for the majority of the City’s operating, capital, and debt-related activities.

REVENUE HIGHLIGHTS

In 2022, the governmental fund revenues grew by approximately \$8 million (13%) over the previous year’s total revenue amounts. While the majority of this increase can be attributed to tax revenues, the City also experienced increases resulting from a full recovery in fee-based revenues following a pandemic-stricken 2020 (charges for services), the receipt of several grants related to capital projects (intergovernmental), and continued investment in both residential and commercial structures (licenses and permits).

Income and property taxes continue to be the City’s largest income sources and typically account for 70-75% of total governmental fund revenues. During the last two years, the combined taxes have yielded a little more than the average, at 77% and 78%, respectively. 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 continue to grow each year to support ongoing City operations.

Much like 2021, the one outlier on the revenue table is the negative amount reported for investment earnings during 2022. This is essentially a function of reporting. During 2022, the City received approximately \$1.1 million in interest income. However, due to reporting requirements, the interest income amount was offset by large unrealized losses that arose from an extremely volatile market and a period of low interest rates. While we carry these large unrealized losses, the City continues to support a strategy of actual income production in the present market, and it is our expectation that none of the current unrealized losses will be realized.

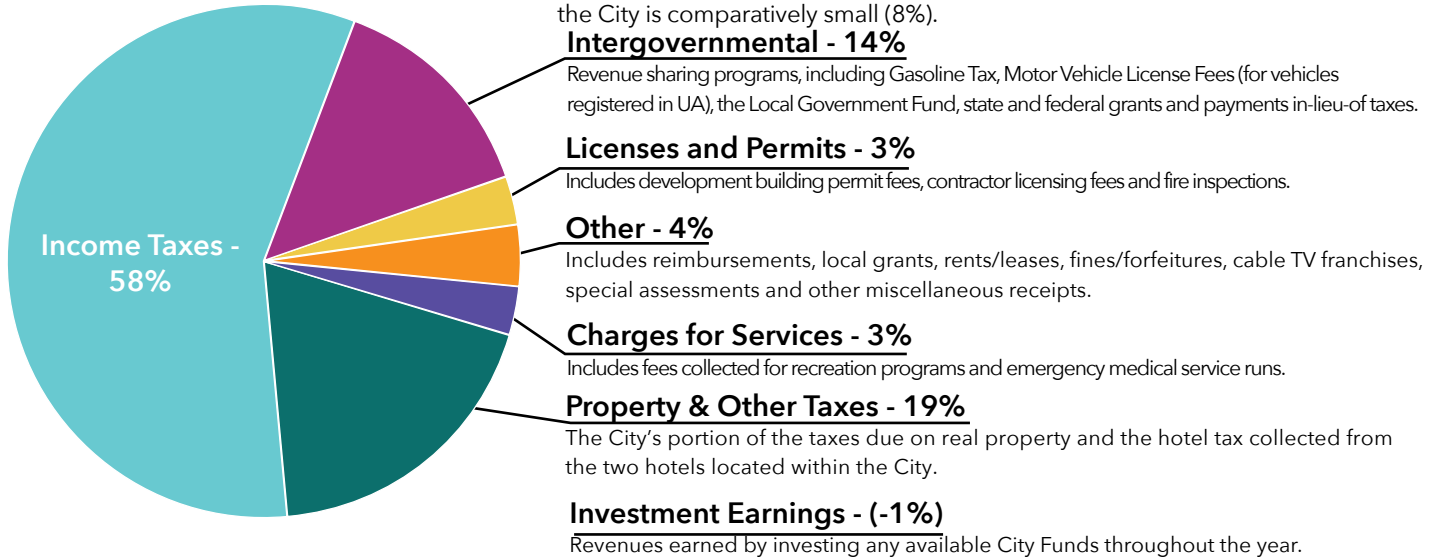
Governmental Funds: Three-Year Revenue Summary by Type

| REVENUE | 2022 | 2021 | 2020 |
|-----------------------|---------------------|---------------------|---------------------|
| Property Taxes | \$12,131,302 | \$11,454,836 | \$10,325,689 |
| Income Taxes | 42,103,625 | 35,866,221 | 31,469,336 |
| Intergovernmental | 10,083,611 | 8,288,013 | 11,936,833 |
| Charges for Services | 2,383,362 | 1,917,036 | 1,286,625 |
| Licenses and Permits | 2,090,323 | 1,881,991 | 1,513,736 |
| Investment Earnings | (2,107,497) | (349,564) | 2,075,666 |
| Other | 2,625,797 | 2,261,587 | 2,617,425 |
| Total Revenues | \$69,310,523 | \$61,320,120 | \$61,225,310 |

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 - 2022 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 (8%).

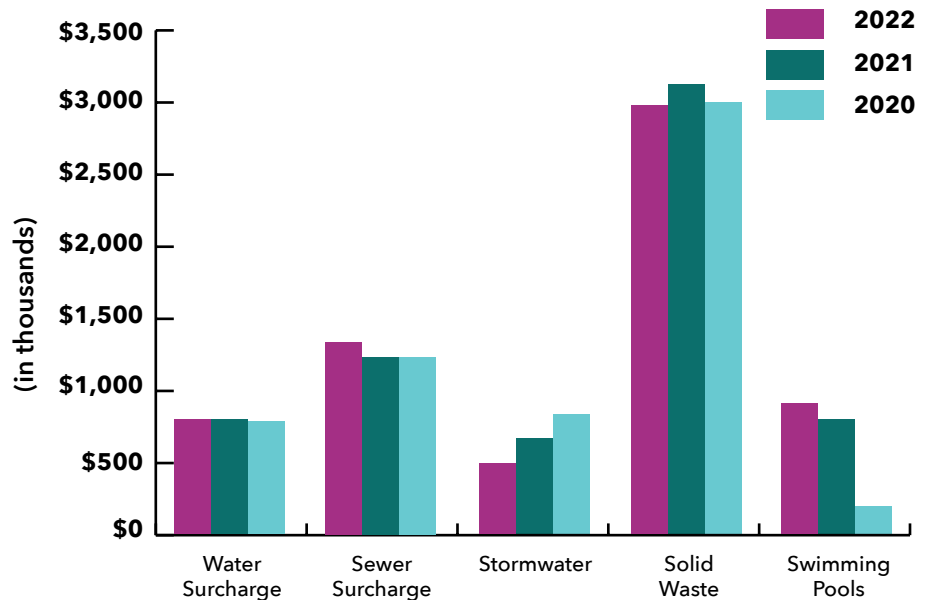


ENTERPRISE FUNDS REVENUE

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, however, Upper Arlington is required to provide and maintain the water and sewer lines. In order to fund 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. (* 2023 rate, previously the fee was \$227).

- 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.

Much like the governmental revenues, the business-type revenues were impacted by the COVID-19 pandemic in 2020. Swimming pool revenues fell drastically due to restricted operations, while water and sewer surcharge revenue sources experienced increases with more people at home.

In 2021 and 2022, the City's three pools resumed normal operations and revenues grew to (or exceeded) pre-pandemic levels. Water and sewer surcharge revenues remained strong with many residents continuing to work from home. Additionally, stormwater and solid waste revenues have remained relatively steady, as expected.

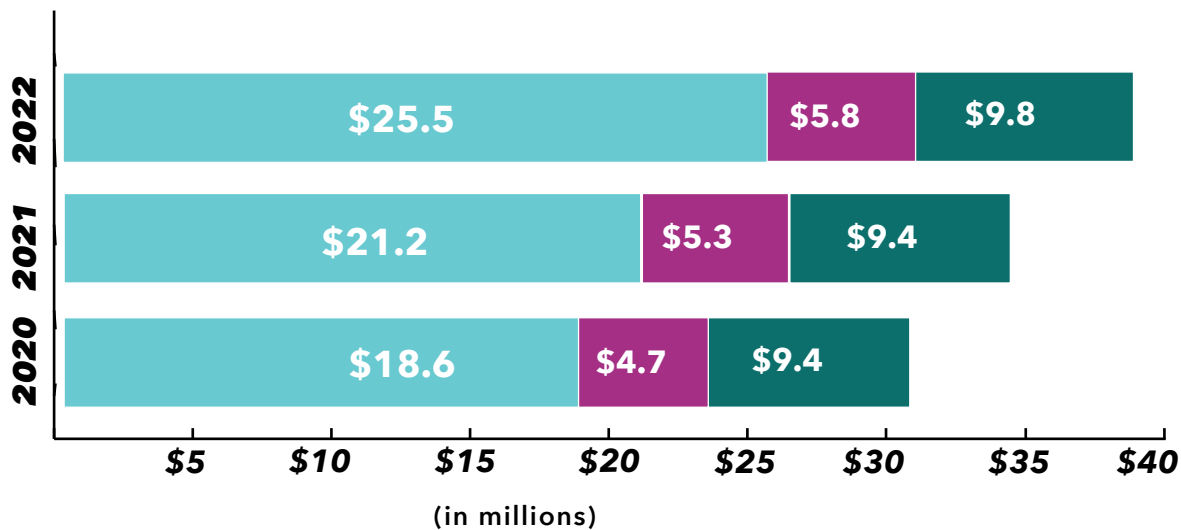
THE VALUE OF INCOME TAX

Income tax revenue is generated from an income tax rate of 2.5%, which applies to earned income and business net profits. The income tax revenue is essentially 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 that has a rate less than 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 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 a cash basis) which shows approximately 62% of the City's income tax revenues come from employer withholdings (residents and non-residents working in the City), while just over 14% comes from taxes on business net profits.

INCOME TAX CATEGORIES (CASH BASIS)



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.

ZONING REVISIONS

In 2022, the City undertook a public engagement and review process relative to proposed zoning revisions for a portion of the ORC Office and Research District located on the south side of Henderson Road. The proposal was to rezone this area as a Planned Mixed Office District (PMOD) with the intent of retaining a significant amount of office space within the district, while allowing for a limited number of additional uses, such as residential and retail, as future redevelopment projects occur.

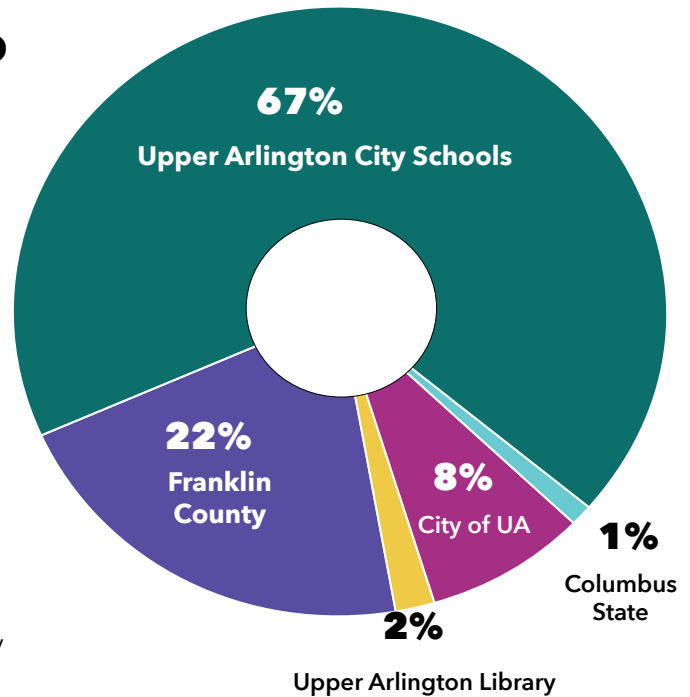
This public review process began in September of 2022 and included a series of community meetings so that Staff could share insight on what has been under consideration and obtain community input. Throughout this process, adjustments were made to the proposal to accomplish the best possible outcome for the surrounding

WHERE YOUR PROPERTY TAXES GO

One of the largest bills residents typically face each year pertains to 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 residents support the City of Upper Arlington. The majority of taxes paid supports 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 18% 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.



Continued from page 6

neighborhoods, the Henderson Road corridor and the community as a whole.

The proposed zoning revisions were reviewed by the Board of Zoning and Planning in October. The Board voted to recommend the revisions to City Council, with a condition to further consider a building height transition for the lakefront properties.

Council's review of this proposal began in early November, with further discussion on building height transition. At the November 14 City Council Meeting, Staff presented an updated draft of the proposed zoning code amendments, along with a Draft Building Height and Setback Map that depicted the recommended transition approach, with:

- Setbacks or "no build" areas: fronting the lakes (40 feet), west side of the district (50 feet) and properties to the immediate east of the district (25 feet).
- An initial allowable building height of up to 56 feet for residential uses overlooking the lakes.
- A transitional area allowing building heights of up to 64 feet.
- Maintaining the existing allowable building height of up to 76 feet for the core of the district and fronting Henderson Road.

After four readings and public hearings, City Council voted to approve the proposed zoning amendments on December 5 2022. Any proposed redevelopment projects in this district remain subject to the City's public review process for major site plans. This includes public outreach and the Board of Zoning and Planning's formal review and approval process.



EXPENDITURE HIGHLIGHTS

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 (debt service and capital outlay) and operating expenditures steadily increasing to just over \$42 million in 2022. In total, 2022 governmental fund spending increased by \$20.6 million (28%) as compared to 2021. The growth in expenditures can be attributed to a significant increase in capital spending (+70%) and a moderate increase in operational spending (+7%).

Of the \$41.9 million in capital outlay expenditures, nearly 35% was associated with the City's 10-year Capital Improvement Program and/or the community

center project, while nearly 62% was tied to public improvements for the Arlington Gateway and Kingsdale projects. The remaining amounts were spent on equipment or machinery for the various departments throughout the City.

Public Safety is always recognized as an important community priority and, as such, consistently ranks as the largest operating expenditure. 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 City Expenditures by Type

| EXPENDITURES | 2022 | 2021 | 2020 |
|---------------------------|---------------------|---------------------|---------------------|
| Public Safety | \$19,699,939 | \$19,575,276 | \$18,872,987 |
| General Government | 11,820,576 | 9,979,265 | 10,018,445 |
| Public Service | 4,926,370 | 4,487,005 | 4,060,559 |
| Parks & Recreation | 4,540,716 | 3,984,991 | 3,623,087 |
| Community Development | 1,143,170 | 1,172,192 | 1,137,864 |
| Subtotal | \$42,130,771 | \$39,198,729 | \$37,712,942 |
| Debt Service Payments | 9,845,522 | 9,395,659 | 9,656,131 |
| Capital Outlay | 41,899,869 | 24,702,685 | 25,425,974 |
| Total Expenditures | \$93,876,162 | \$73,297,073 | \$72,795,047 |

Just like most organizations, the largest operating cost of the City is personnel. With nearly 240 full-time employees, and several hundred seasonal staff, personnel costs account for at least 60% of operating expenditures.

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, 2021, prepared in accordance with Generally Accepted Accounting Principles, and does not reflect the Upper Arlington Community Improvement Corporation, a component unit of the City.

GOVERNMENTAL FUNDS 2022 OPERATING EXPENDITURES



Public Safety - 48%

Encompasses the Police and Fire divisions.



Community Development - 3%

Encompasses Building Standards, Code Compliance, and Zoning and Planning.



Parks & Recreation - 11%

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



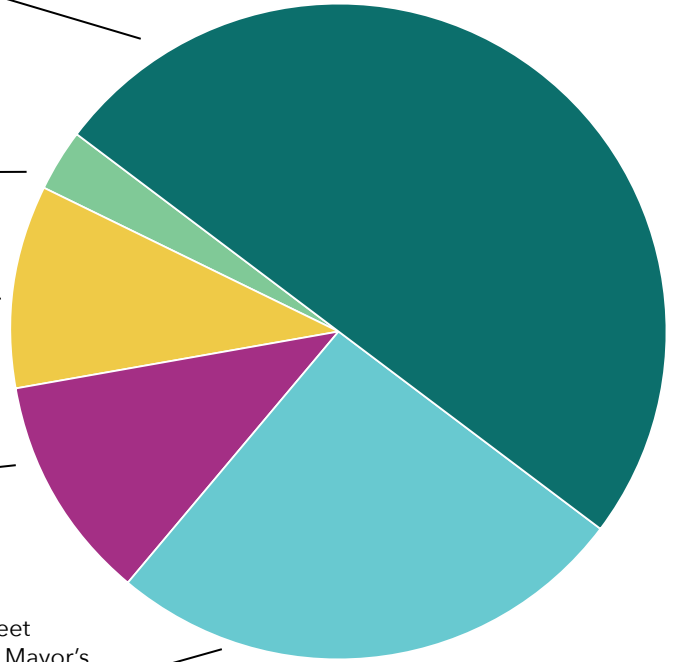
Public Service - 12%

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

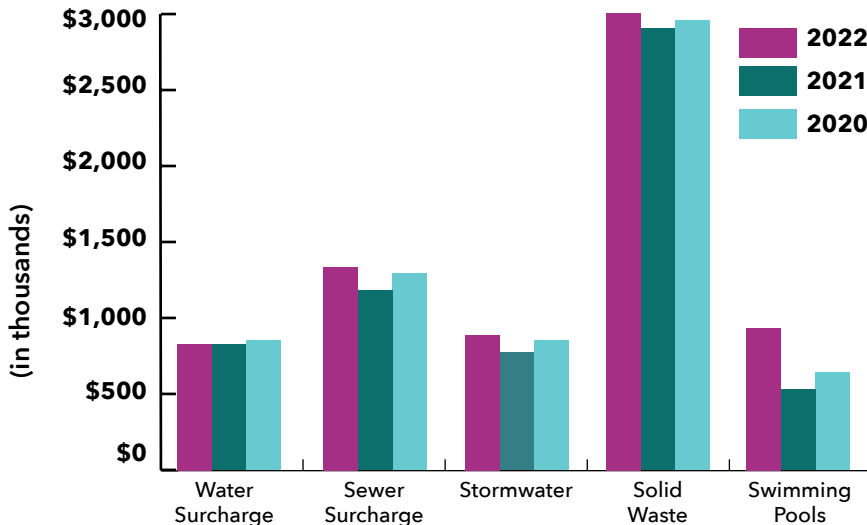


General Government - 26%

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 and General Administration.



ENTERPRISE FUND EXPENSES



Expenditures in the City's enterprise funds typically stay consistent from year to year. The growth or reduction in the City's utility funds (Water, Sewer, and Storm Water Funds) represents how the Public Works Division's workload was allocated during the year. While the expenditures in the Swimming Pool Fund will be affected by the number of days/hours the pools are open, the cost of chemicals, and what type of maintenance is required.

CAPITAL IMPROVEMENTS

2022 represented the ninth year of the City's 10-year Capital Improvement Program. Since the City expanded its Capital Improvement Program to 10 years, approximately \$118 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 2015-2023, representing approximately 10% of the costs for the entire 10-year program.

The most recent two-year street paving 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 89.0 in 2022 (out of 100) and curb conditions have improved from an average of 2.3 in 2012 to 1.8 in 2022 (on a scale of one to five, with one being the best condition).

2022 CAPITAL IMPROVEMENT HIGHLIGHTS

Fishinger Road Phase I

Long awaited improvements to Fishinger Road began in 2022, enhancing the connectivity and aesthetics of this major thoroughfare. Phase I runs from Mountview Road to Tremont Road, with full street reconstruction, new curb and gutter, improved LED streetlights, new sidewalks and a shared-use path.

McCoy Road Phase II

The final phase of work on McCoy Road including resurfacing and spot curb and gutter repairs, between Riverside Drive and Woodbridge Road was completed in 2022. This follows a 2021 waterline replacement and resurfacing work between Woodbridge Road and Kenny Road.

Sustainable Sewers

The Sustainable Sewer Solutions Program expanded to accelerate efforts in manhole rehabilitation and sewer lining. This was due to the City receiving a grant of over \$700,000 from the State for sewer and water infrastructure.

Sidewalks

- A new, five-foot-wide sidewalk was installed on the west side of North Star Road between Zollinger Road and Fishinger Road.
- The Wakefield Forest neighborhood north of the High School received sidewalk improvements, including a new section on the north side of Trentwood Road between Northwest Boulevard and North Star Road, and a new section on the west side of Mt Holyoke Road, between Trentwood Road and Zollinger Road

- The fifth of five phases of sidewalk maintenance projects across the City was undertaken, completing the first full maintenance cycle for the community's entire sidewalk network.

Sunny 95 Park Multi-Sport Court

A hockey/basketball court was replaced with a larger court. This project was made possible thanks to the UA Lacrosse Association, provided over \$420,000 in funding. The new court was named the "3132 Family Sport Court" in recognition of Kyle Vesper and Ned Smith, two former lacrosse captains who developed the same type of brain cancer. It can be used for basketball, box lacrosse and hockey. Lighting allows for evening play during the winter season.



HOW CAPITAL INVESTMENTS ARE FUNDED

The City continues to 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 include guidance for maintaining a 10-year Capital Improvement Program (CIP) with the goal of achieving the annual replacement cost of the infrastructure based upon the 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 income tax revenues. However, the City also annually allocates a portion of its general tax revenues (\$1.25 million in 2022), 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.

General obligation bonds are the primary source of debt issued for capital improvements (see the outstanding debt section on page 12). In 2022, approximately 74% of the improvements were financed using debt proceeds and 26% were financed using existing cash, and grants.

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.

Three-Year Capital Investment Summary

| Investment Type | 2022 | 2021 | 2020 |
|---------------------------------|----------------------|----------------------|---------------------|
| Governmental Funds | | | |
| Capital Equipment | \$ 866,006 | \$ 1,357,812 | \$1,426,027 |
| Capital Improvements | 39,866,379 | 22,798,152 | 22,770,188 |
| Subtotal | 40,754,385 | 24,155,964 | 24,196,215 |
| Enterprise Funds | | | |
| Capital Equipment | 36,195 | 132,338 | - |
| Capital Improvements | 17,204 | - | - |
| Subtotal | 53,399 | 132,338 | - |
| Total Capital Investment | \$ 40,807,784 | \$ 24,288,302 | \$24,196,215 |



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 2022, the City has three types of long-term debt instruments outstanding:

Balance of Bonds & Loans Payable



General Obligation Bonds – These are long-term bonds (20-30 years) backed by the “full faith and 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. During 2022, the City issued \$19.25 million in general obligation bonds to fund a portion of the 2023 and 2024 Capital Improvement Programs.

Special Obligation Debt – These are long-term bonds (20-30 years) backed by a specific revenue source (i.e. nontax revenues). The repayment source is primarily from revenues generated by 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 2022, the City issued \$17.925 million related to the Kingsdale project.

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.

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.



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 two years, the City's total net position has grown by almost \$44 million, or approximately \$22 million per year. This significant increase is directly related to the City's focused efforts on its capital infrastructure, offset by the debt 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. The negative balance is the product of spending down existing unrestricted fund balance 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 | | |
|----------------------------------|-------------------------|--------------------|-----------------|--------------------------|-----------------|-----------------|------------------|--------------------|------------------|
| | 2022 | (restated) 2021 | 2020 | 2022 | 2021 | 2020 | 2022 | (restated) 2021 | 2020 |
| Net investment in capital assets | \$81,605 | \$73,466 | \$69,394 | \$54,350 | \$52,192 | \$649,812 | \$135,955 | \$125,658 | \$119,206 |
| Restricted | 40,096 | 41,697 | 37,226 | - | - | - | 40,096 | 41,697 | 37,226 |
| Unrestricted | (9,720) | (21,961) | (30,839) | 8,512 | 7,670 | 5,979 | (758) | (14,291) | (24,860) |
| Total net position | \$112,431 | \$93,202 | \$75,781 | \$62,862 | \$59,862 | \$55,791 | \$175,293 | \$153,064 | \$131,572 |

2022 COMMUNITY SURVEY

Every few years, the City undertakes a statistically valid survey of its residents to track perceptions of the quality of life in Upper Arlington, satisfaction with City services, opinions on recent economic development activity, and to identify any issues that may require further attention. The 2022 Community Survey was conducted in the spring and early summer. Fifteen hundred randomly selected households were invited to participate, which generated a 36% response rate.



Overall, a large majority of residents think Upper Arlington is a great place to live and their City government is working well. Some notable takeaways include:

- 98% think UA is a good or excellent place to live, and 96% said it is a good or excellent place to raise a family.
- Overall, 93% of residents think that City services are excellent or good.
- 68% appreciate the feeling of safety, the recreation services, the community events or some other element of the community services provided by the City.
- 89% think City government officials are trying to do the right thing.
- 78% of those who had a personal interaction with a City employee were very or extremely satisfied with that interaction.
- 77% believe they get a good or excellent value for their City tax dollars.

One area that demonstrated a significant shift in sentiment was tied to the launch of a new Solid Waste program in 2018. In the 2017 survey, just 58% and 68%

of respondents were satisfied with trash collection and recycling collection respectively. By 2022, satisfaction levels shot to more than 90%. Other areas that experienced increased levels of satisfaction included sidewalk maintenance, street repair and recreation programs. Consistent with previous surveys, resident satisfaction remained high for the City's Fire, EMS, and Police safety services.

These increases in satisfaction correlate with the City's efforts to do a better job listening to the community, which has resulted in increased levels of trust. In 2017, 7% of respondents didn't trust the City and 13% felt the City's leaders didn't listen. By 2022, just 4% of respondents stated that they don't trust the City, and only 5% don't think the City listens to them - therefore, approximately 95% of the community feel confident that the City will listen to them and try to do the right thing.

Since residents' basic needs are being met by the City, it was interesting to see what issues were top of mind. Concerns about growth in the Columbus region, including density and affordability (36%), and a desire for Upper Arlington to become a more diverse community (26%) emerged as top issues. When asked specifically about diversity, 51% of respondents think that attracting more diverse residents is very or extremely important and another 19% said it is moderately important.

The City is not in a position to solve housing affordability or overcome the legacy that has limited diversity. But every effort will be made to continue to listen to residents on these issues and to work with community organizations and individuals to help make newer residents feel welcome and to encourage others to consider moving to the community in the years ahead.

The 2022 Community Survey report is available under the Connect section of the City's website, at upperarlingtonoh.gov.



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 on this issue, the findings of the 2018 Parks & Recreation Comprehensive Plan highlighted residents' interest and need for a centrally located indoor recreation facility. In response to this feedback, in July 2019, City Council formed the Community Center Feasibility Task Force (CCFTF), comprised of 16 residents, to determine if the community wants and needs a community center.

The CCFTF completed its 18-month study process, concluding that it was feasible for the City to construct, operate and maintain a community center. At a Special City Council Meeting on December 16, 2020, the CCFTF provided an extensive overview of the study process, their findings and recommendations.

On January 19, 2021, City Council approved legislation to bring the proposed Upper Arlington Community Center to a vote of the people on May 4, 2021, and to authorize various funding mechanisms that would enable the City to construct, a Community Center without any increase in City income or property taxes. The issue passed by approximately 80%.

Following the election, the City immediately began work to secure a design team (led by MSA Sport), a construction team (a partnership between Elford and Continental Building Systems) and a construction management firm (with Pizzuti Solutions acting as the City's owner's representative). Early design work included extensive community engagement, revisiting the original feasibility study, and efforts to take the project from a program concept to a complete building design.

Initially, the building footprint increased to accommodate common areas, mechanical equipment, storage, and expansion of the fitness floor. However, dramatic changes in the construction market led to significant cost increases and the team embarked on a successful value engineering process that maintained the desired programming within a smaller footprint.

By early 2023, the project was ready to proceed and the community gathered in early April for a groundbreaking ceremony, followed in short order by the start of construction. Named after the lead donor from the Upper Arlington Community Foundation's \$8 million Capital Campaign, the Bob Crane Community Center will be completed early in 2025, and is expected to open for business by late spring/early summer.

Full details on this exciting project can be found at uacommentarycenter.com.



COMMUNITY CENTER QUICK FACTS

The new Community Center will be a 150,000 square foot facility spanning five floors plus a large mezzanine. The facility will include the following:

- Indoor pool, multi-purpose event/party space, locker rooms
- Fitness/exercise spaces
- Three gymnasiums (One multi-purpose)
- Senior lounge
- Child watch
- E-sports room
- Walking/running track
- Program classrooms
- Multi-purpose room/ meeting space / outdoor deck
- Outdoor multi-purpose terrace

The building also includes approximately 40,000 square feet of leasable office space.

BUSINESS HOURS

Municipal Services Center

Monday-Friday, 8 am-5 pm

Public Service Center

Monday-Friday, 7 am-4:30 pm

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2022 Popular Annual Financial Report

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Award for Outstanding Achievement in Popular Annual Financial Reporting - 17 years

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December 31, 2021

Christopher P. Morvill
Executive Director/CEO

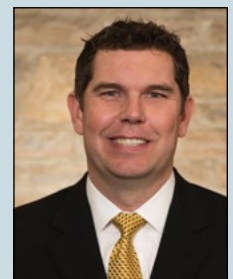
2022 UPPER ARLINGTON CITY COUNCIL



Left to Right: Michaela Burriss, Jim Lynch, Brendan T. King (President), Kathy Adams, Brian C. Close (Vice President), John Kulewicz, Ukeme Awakessien Jeter



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 2022 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.