

2023 BUDGET PRESENTATION

DECEMBER 7, 2022





**PAFR
CAFR &
BUDGET
2014 - 2021
2022 GFOA Distinguished Budget
Presentation Award**

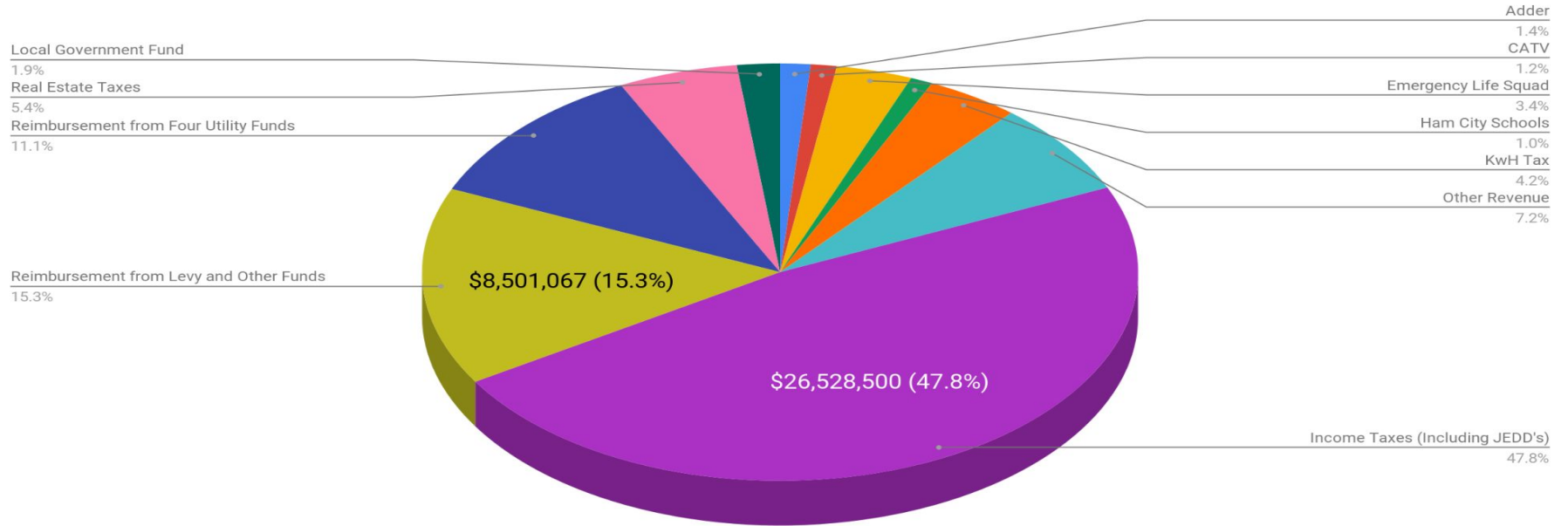
TAKEAWAYS

- 2022 income tax compared to 2021 income tax through October is up 16% or \$4.18MM. 2022 projected income tax for the entire year \$35MM. All funds.
- 2023 proposed budgeted income tax revenue all funds is \$33.5MM (GF - \$25.96MM). 2022 adopted income tax budget all funds was \$30.5MM (GF - \$23.64MM). Stayed conservative but increased the budget \$3MM all funds.
- General Fund is structurally balanced. Current year revenues = Current year expenses.
- Budgeted revenues and expenditures up 8.05% over 2022 Adopted Budget.
- Investing \$33.46MM in Infrastructure
- Infrastructure expenditures up 4.9% over 2022 Adopted Budget.



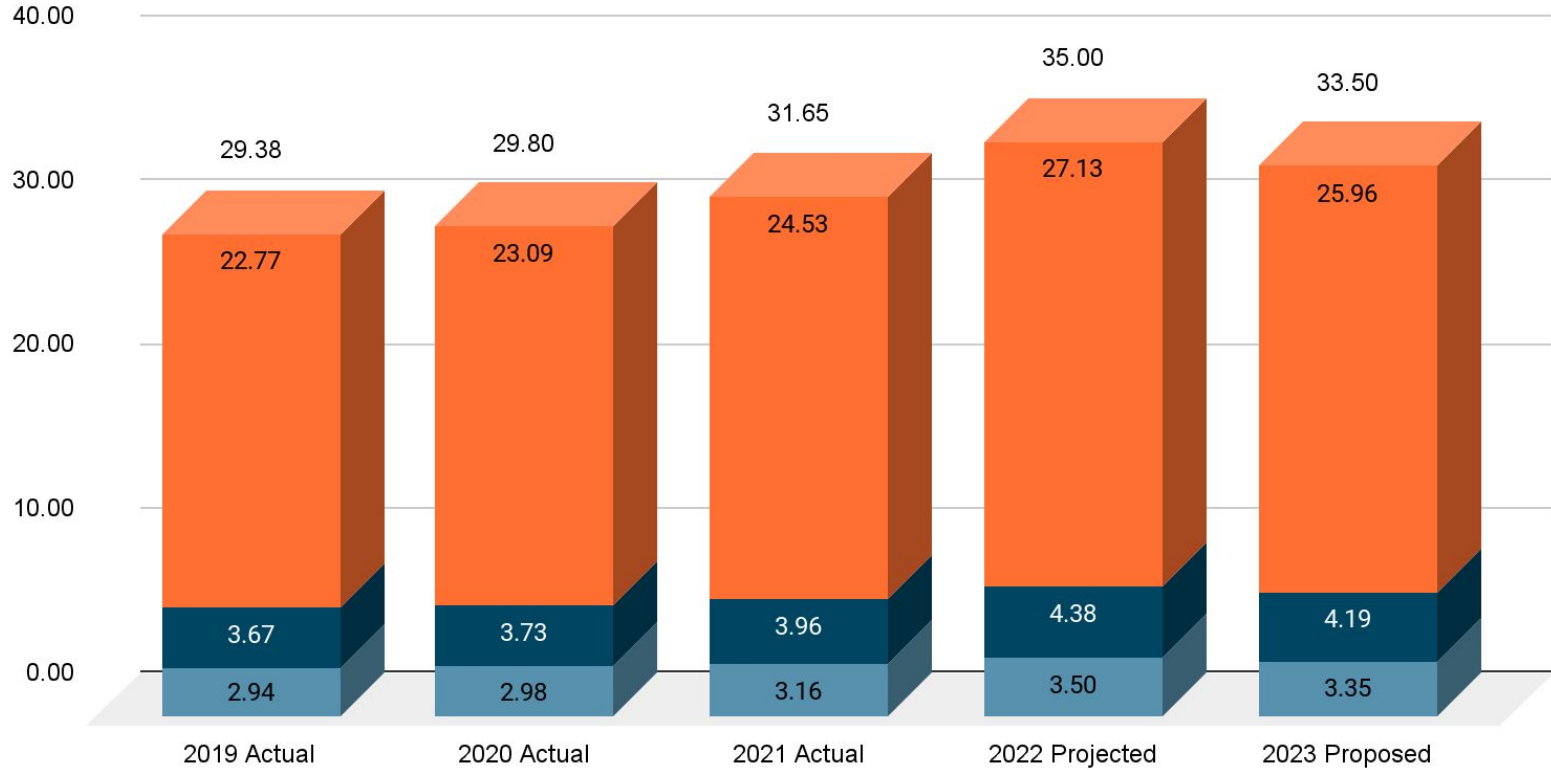
General Fund Highlights

2023 General Fund Proposed Budget - Revenue Grand Total \$55,451,481



Income Tax Highlights (in millions)

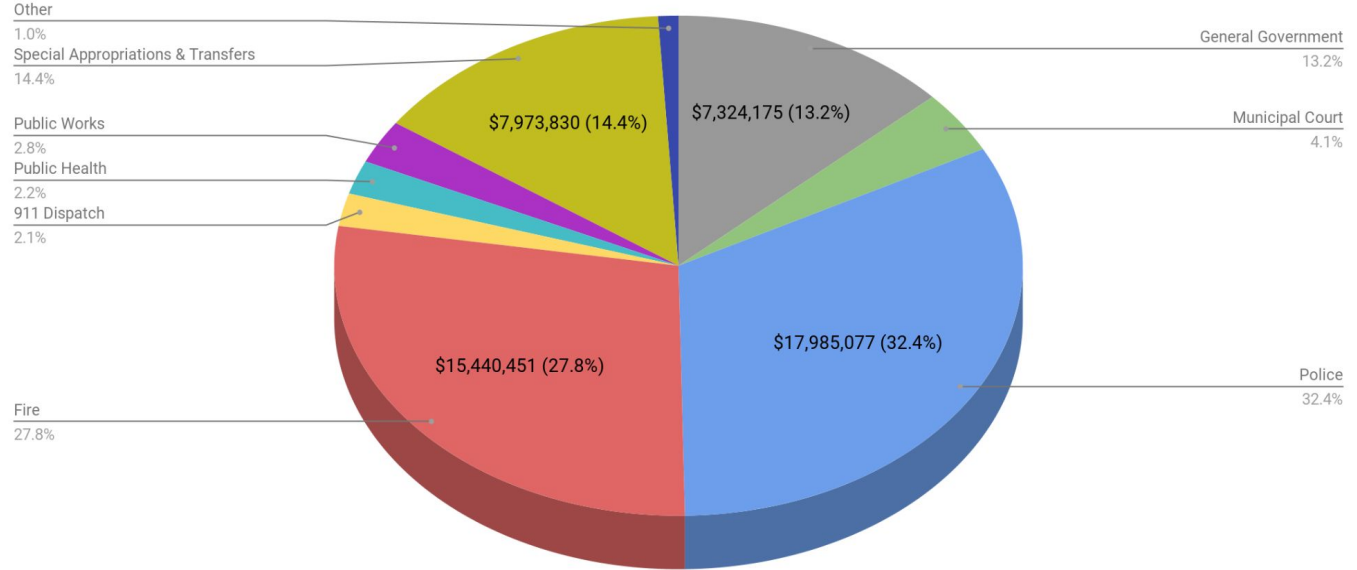
100 General 210 Pub Safety/Health Inc Tax 215 Hamilton Cap Imp Debt Serv



General Fund Highlights

Public Safety
66.45%

2023 General Fund Proposed Budget - Expenditures
Grand Total \$55,451,481



Note: Public Safety includes Hamilton Municipal Court and 911 Dispatch

General Fund Departmental Budgets

PUBLIC SAFETY EXPENSES



Includes cost of 7 School Resource Officers (SROs). Approximately \$560,000 (75%) will be reimbursed from Hamilton City Schools (HCS).

	Total 2022 Adopted	Total 2023 Proposed	Total Change
Police	17,568,262	17,985,077	416,815
Fire	14,661,798	15,440,451	778,653
Total	\$32,230,060	\$33,425,528	\$1,195,468

General Fund Highlights

*Municipal Court is replacing their computer system in 2023 (GF - \$175k / Other Funds - \$175k). Court received State ARPA funds for project totaling \$318k.

**Neighborhoods creation of Customer First in 2022 not included in the adopted budget.

***Law budget increases due to outside legal services.

Department	2022 Adopted	2023 Proposed	\$ Change	% Change
City Council	103,752	89,525	(14,227)	(13.71%)
City Clerk	96,843	99,714	2,871	2.96%
Municipal Court*	1,986,052	2,251,142	265,090	13.35%
City Manager	538,037	565,507	27,470	5.11%
Neighborhoods**	512,775	751,711	238,936	46.60%
Building	641,938	716,278	74,340	11.58%
Planning	580,361	619,423	39,062	6.73%
Law***	979,826	1,122,484	142,658	14.56%
Human Resources	572,519	638,125	65,606	11.46%

General Fund Highlights

*Finance increase due to collection costs paid to RITA as a result of increased income tax collections (\$300k increase).

**Both Police and Fire to receive 3% cost of living adjustments in 2022.

***Includes Upper Floor Rehab program (\$200k); Commercial Building Assistance program (\$100k); increase in property taxes (\$314k); employee assistance program (\$150k); St. Clair Township CEDA Agreement (\$350k)

Department	2022 Adopted	2023 Proposed	\$ Change	% Change
Finance*	2,500,720	2,721,408	220,688	8.82%
Public Works	1,458,253	1,565,056	106,803	7.32%
Police**	17,568,262	17,985,077	416,815	2.37%
Fire**	14,661,798	15,440,451	778,653	5.31%
Health	1,275,671	1,209,170	(66,501)	(5.21%)
Special Appropriations***	6,302,761	7,869,420	1,566,659	24.86%
Transfers	1,010,452	1,276,990	266,538	26.38%
Other	530,000	530,000	—	—%
	\$51,320,020	\$55,451,481	\$4,131,461	8.05%

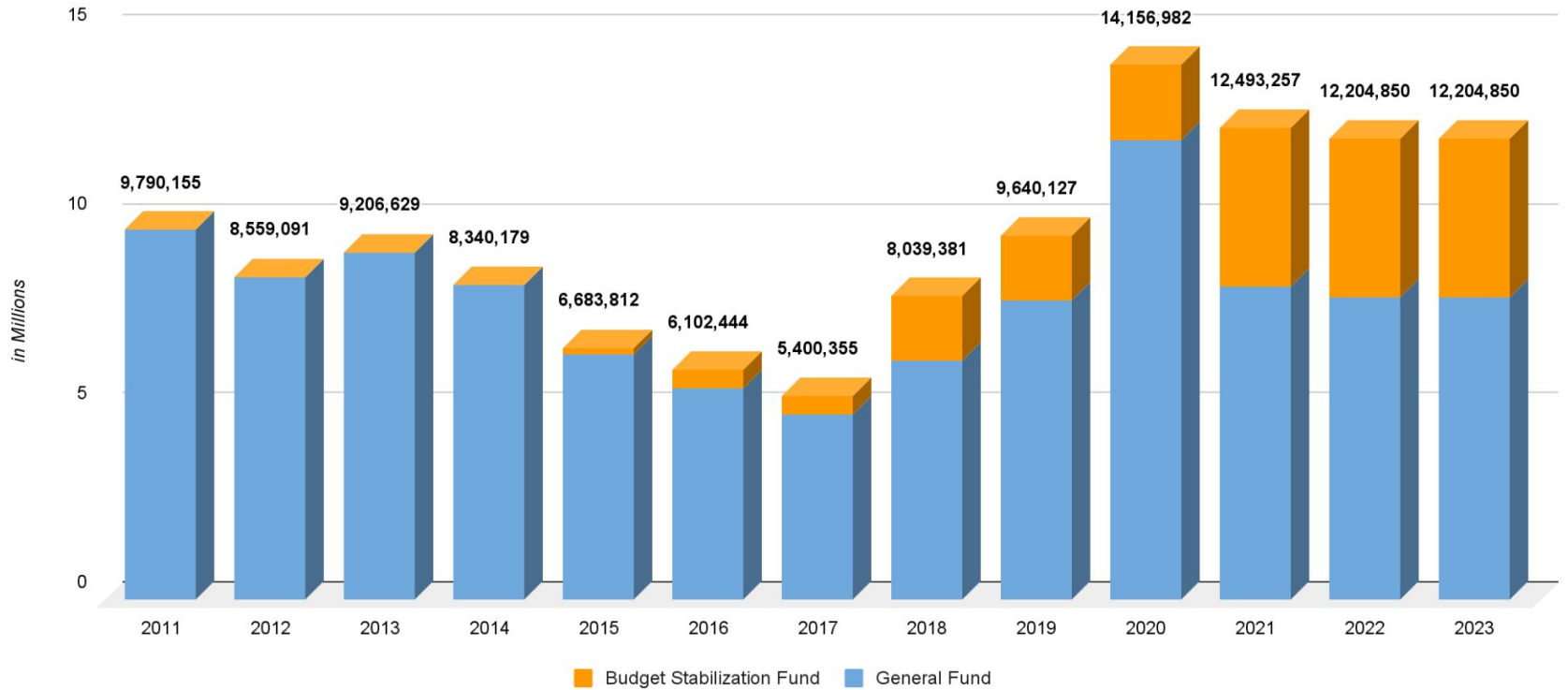
GENERAL FUND HIGHLIGHTS



	2022 Projected	2023 Proposed
Beginning Year Fund Balance (01/01)	\$11,199,950	\$8,004,850
Budgeted Revenues (Adopted)	\$51,320,020	\$55,451,481
Projected Revenue	\$54,921,442	-
Budgeted Expenditures (Adopted)	\$51,320,020	\$55,451,481
Projected Expenditures and O/S Encumbrances	\$58,116,542	-
Projected Ending Unencumbered Balance (12/31)	\$8,004,850	\$8,004,850
10% of Revenues per City Policy (R2012-6-25)	\$5,132,002	\$5,545,148

Note - Does not include Budget Stabilization Fund

General Fund Ending Unencumbered Fund Balance



Capital & Debt

CDBG Funds

Hamilton Capital & Debt Fund Budget Highlights

Fund 215 (Cap & Debt Fund) Revenues		Fund 215	
Income Taxes	3,350,000	Police - HQ Building Repairs	50,000
Miscellaneous	47,000	Police - Cruisers	350,000
Spooky Nook Reimbursement	943,476	Police - Body Worn Cameras	72,516
Transfer from General Fund	76,950	Fire - Rescue Boat	14,000
State Grant - Beltline	630,000	Fire - Air Compressor	56,000
	\$5,047,426	Beltline	1,550,000
		Bypass 4 Debt	176,127
		Other (Cap. Exp/Refunds)	415,000
		Transfers Out (Incl. Debt)	2,842,485
			\$5,526,128

CDBG CAPITAL BUDGET HIGHLIGHTS

CDBG Fund Expenses 2018-2022		CDBG Fund Expenses 2022-2023 Proposed	
Fire - Quint Replacement	750,000	Fire - Station 22 Rehab	200,000
Fire - Station #24 Improvements	300,000	Fire - Life Squad Replacement	195,000
Fire - Engine Replacement	500,000		<hr/>
Fire - Engine Replacement	500,000		\$395,000
Fire - Life Squad	195,000		
Fire - Station #25/#26 Improvements	95,000		
Fire - Power cot	35,000		
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	\$2,375,000		

ARPA

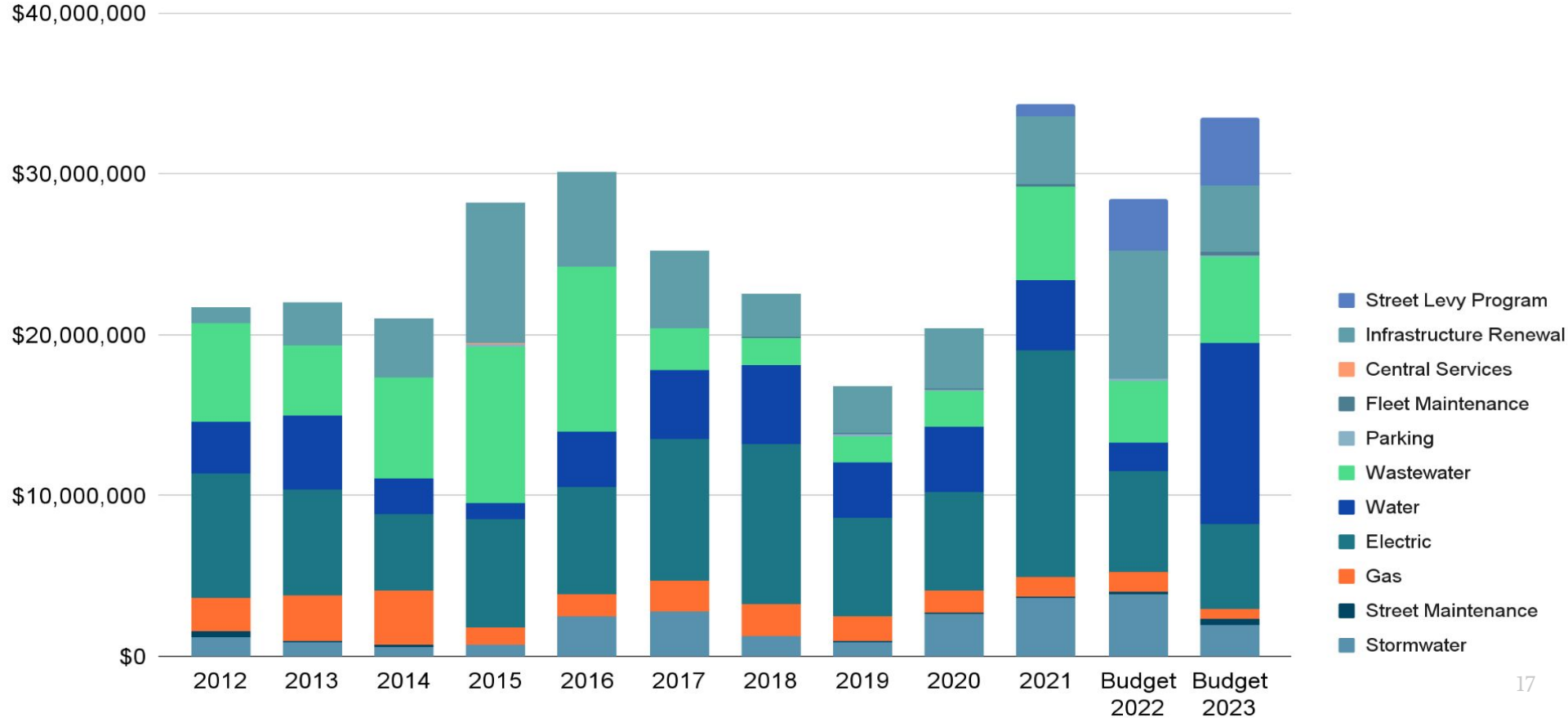
AMERICAN RESCUE PLAN ACT

\$33,590,200 received. \$16,795,100 received June 2021; \$16,795,100 in June 2022. Major projects funded with revenue replacement include:

- \$10,000,000 - Justice Center (HPD HQ + Municipal Courts)
- \$7,000,000 - North Hamilton Crossing (Set-aside for New Bridge Over Miami River)
- \$4,000,000 - Fire Station 26 (Replacement Station)
- \$3,000,000 - CIC Grant (Hotel Project \$2 million grant + \$1 million loan)
- \$2,200,000 - Stormwater System Improvements (Corwin Avenue and other projects)
- \$1,464,187 - Beckett Paper (Acquisition)
- \$1,150,000 - South B Street Improvements (Resurfacing & storm)
- \$1,125,000 - Infrastructure Improvements (Fund 311)
- \$750,000 - Pending for Great Miami Rowing Center (Matching funds for boathouse)
- \$835,000 - Water Main Projects
- \$636,000 - Fire Station Improvements
- \$600,000 - CIC Grant (Roemer Hardware building restoration)
- \$300,000 - CIC Grant (West Side Little League)
- \$250,000 - Bike Path Improvement
- \$150,000 - Backhoes for Gas & Water
- \$100,000 - RiversEdge Sound Equipment



WE ARE INVESTING \$33.46 MM IN OUR COMMUNITY



CENTRACS

CENTRALIZED TRAFFIC SIGNAL SYSTEM
(6.0MM TOTAL, \$4.6MM GRANT)

- Citywide signal upgrades
- Design began in February 2020
- Construction began November 2021 with completion within 18-24 months
- Provides signal timings for real-time traffic conditions
- Provides new levels of mobility and safety
- 27 priority intersections have been installed and are collecting data
- 70 additional intersections to be completed in 2023



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NORTH HAMILTON CROSSING



- Funding Commitments for Feasibility and Design
- \$2MM - (TRAC) Grant
- \$2.75MM - COH
- \$0.25MM - BC TID
- Funding Commitment for ROW and Construction
- \$7MM - COH
- Schedule
- Next Public Meeting - 1/23/23
- Feasibility Study 75% Complete
- Alternatives Evaluation Review - 2023
- Detailed Engineering - 2024-2025



Neighborhoods: Streets Levy

Armondale
Dayton Lane
Downtown/CBD
East End
Enterprise Park
German Village

Highland Park
Jefferson
Lindenwald
Millikin
New London
North End



Prospect Hill
Riverview
Rossville
Taft Place/Governor's Hill
Washington

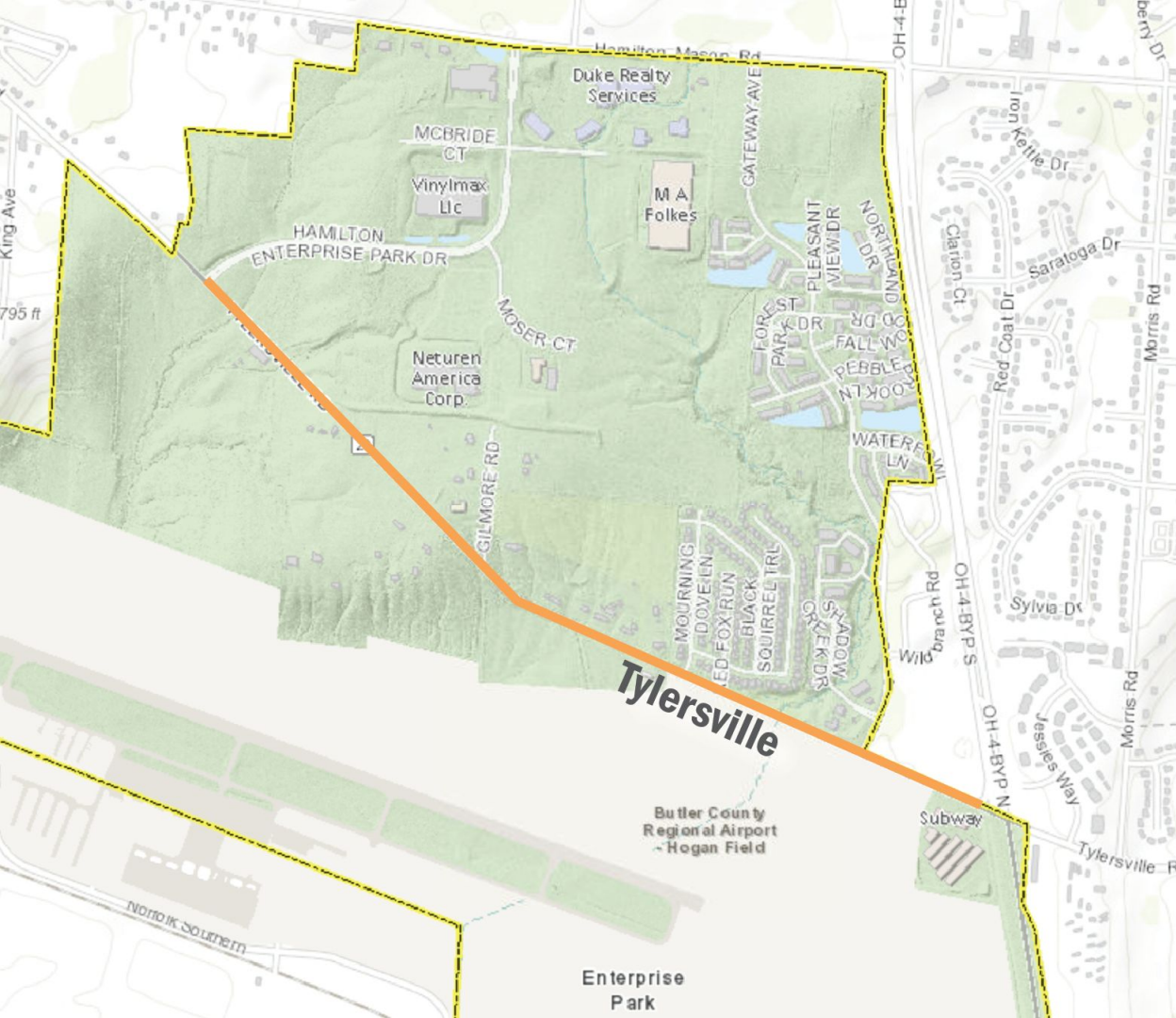
Every neighborhood will receive its proportionate share of Streets Levy funds throughout the duration of the Levy from '21 - '30 based on that neighborhood's % of centerline miles of roads in the city.

Fairway Hills Subdivision Streets & Water Main Improvements



FAIRWAY HILLS SUBDIVISION STREETS AND WATER MAIN IMPROVEMENTS

-  STREETS TO BE RESURFACED
-  PROPOSED WATER MAIN




\$3.2
Million

**Street
Reconstruction**

HAMILTON BELTLINE TRAIL

- Phase 1 – construction complete
- Phase 2 – construction complete
- Phase 3 – design 60% complete
- Phase 4 – design to begin in January
- Phase 5 – not started





WATER PRODUCTION PLANT IMPROVEMENTS (\$600K)

- Well Rehabilitation (2 wells) - \$200k
- Roof Replacement - \$300k
- High Service Pump Rebuild - \$100k





WATER RECLAMATION PLANT IMPROVEMENTS (\$2.2MM)

- Gravity Thickener Drives & Collection Arms Replacement - \$1MM
- Hot Water Boiler Replacement Engineering - \$100k
- Dewatering Equipment Design - \$450k
- Master Plan - Liquid Side Processes - \$275k
- Influent Pump Replacement - \$400k



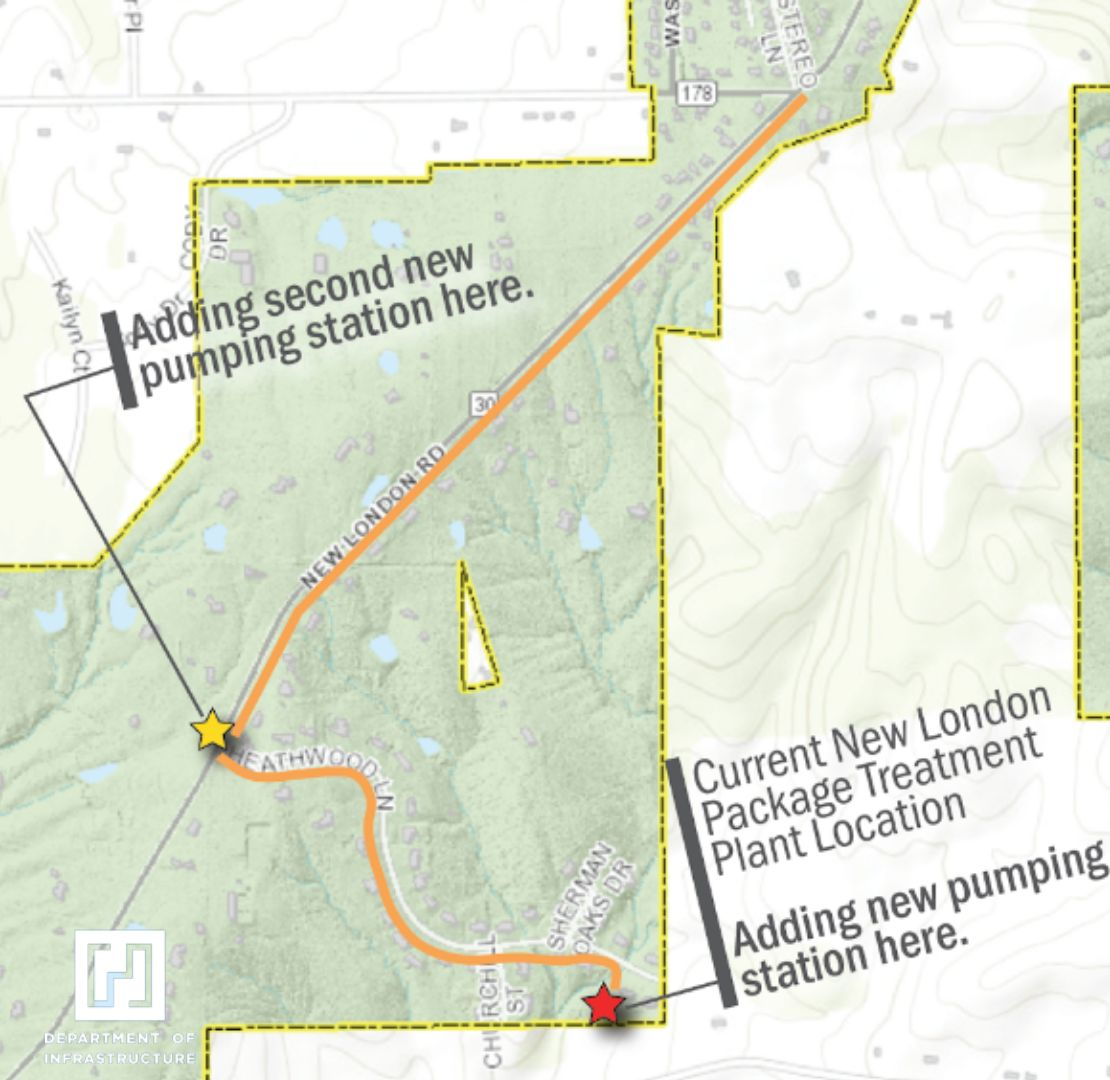
WASTEWATER SYSTEM (\$1.325MM)

- Manhole Rehabilitation Project - \$500k
- Sewer Replacement and Lining - \$800k



PUMPING STATIONS & SANITARY FORCE MAINS (\$1.78MM)

- Includes two new pumping stations and force mains





NATURAL GAS CAPITAL (\$588K)

- Regulators/Meters/Equip. - \$270k
- SCADA Improvements - \$130K
- Dump Truck - \$67.5k
- Backhoe - \$65k
- Crew Truck - \$55k





ELECTRIC CAPITAL (\$1.9MM)

- OCB Replacement Program - \$125k
- Backyard Machine - \$250k
- Bucket Trucks (2) - \$535k
- LED Street Lights - \$160k



ELECTRIC POLE REPLACEMENTS (\$1.5MM)

- Includes pole replacements, tree trimming, and parts (including transformers)





TREE TRIMMING PROGRAM (\$1.1MM)

- Includes tree trimming performed as a preventative measure to reduce the quantity and duration of electric system outages.





GREENUP HYDROELECTRIC PLANT IMPROVEMENTS (\$3.7MM)

- Carbon Shaft Seal Replacement - \$800k
- Generator Step-Up Transformer - \$700k
- Halon Fire Suppression System Replacements- \$550k
- Spare Gate Refurbishment - \$300k
- Turbine Runner Hub Inspection - \$250k
- FERC Relicensing - \$100k
- AMP will contribute 1.8MM (48.6%)



STORM SEWER CAPITAL (\$1.95MM)

- Hammond Blvd at Dayspring Drive Storm Sewer Replacement - \$500k
- Annual concrete repair & resurfacing - \$410k - supports street paving program
- W Fairway Water Main & Resurfacing - \$350k
- Tylersville Rd - \$250k





ELECTRIC VEHICLE (EV) CHARGING STATIONS

- 3 Existing Locations
- Proposed Locations for new installation include:
 1. Fitton Center
 2. BC Court House
 3. Marcum Park
 4. West Side Little League
 5. Kroger Fuel Center
 6. Sports Complex (Black Street Parking Lot & Gordon Ave. Alley)
 7. McDulin Parking Garage
 8. First Financial Bank
 9. CH&D Train Depot



CUSTOMER VALUE



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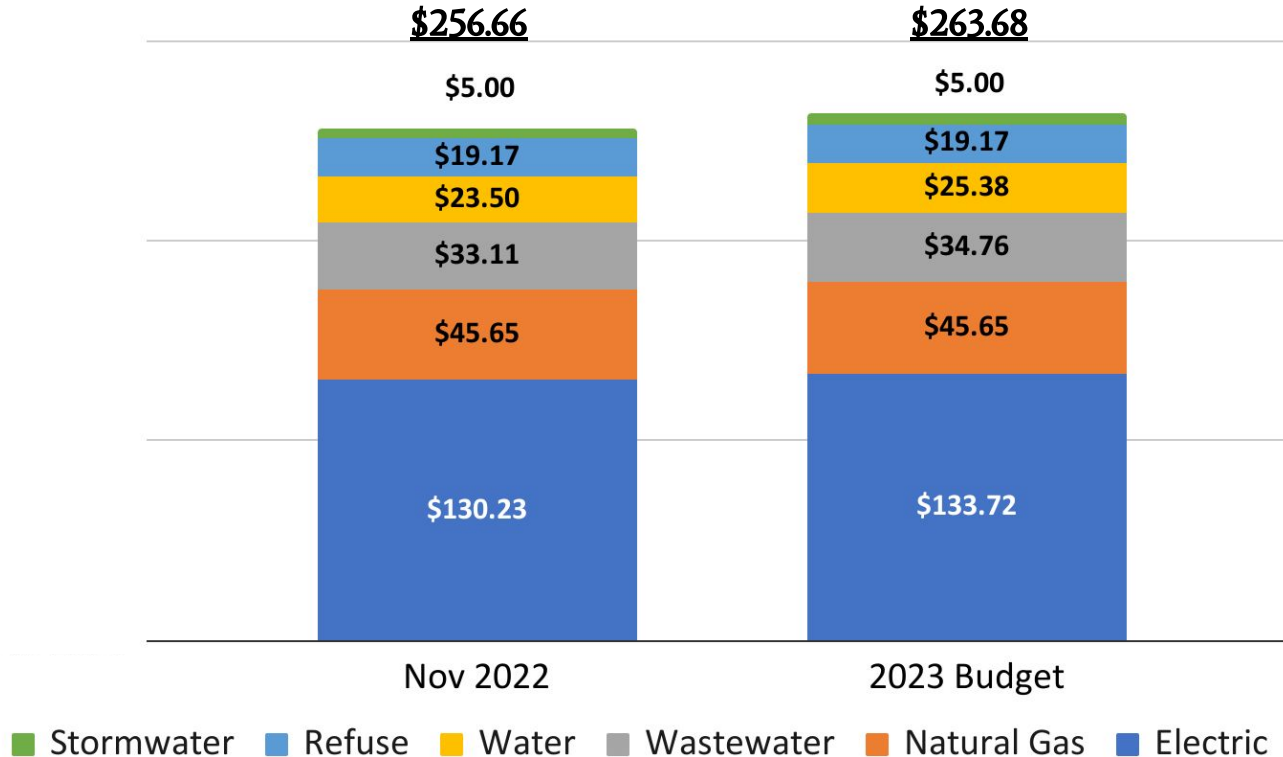


RESIDENT UTILITY BILLS

TOTAL INCREASE IN UTILITY BILL PROJECTED TO BE 2.7%, OR \$7 PER MONTH, FOR THE AVERAGE RESIDENT.



11/18/2022



FINANCIAL OVERVIEW



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OVERVIEW



CUSTOMER USAGE

- Natural Gas usage was even to 2021 which was up 7% from 2020 due to colder weather and an increase in commercial usage
- Electric usage up 3% from last year due to increased industrial customer usage
- Water usage was up almost 1% from last year
- Wastewater flows were up over 2% from last year

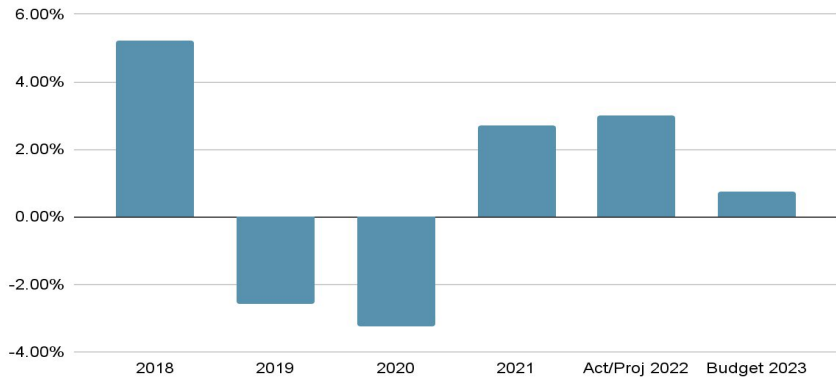
COLLECTIONS

- Accounts receivables through September (\$1.59MM) up slightly (\$29k) from the same period in 2021
- Customer Service with support of SELF and CARES Act funds has collected nearly all of the past due bill accumulated while disconnections were suspended
- Power and Gas Cost Recovery riders are appropriately recovering supply costs
- We were able to lower the PCA in March of 2022 and project that to remain through 2022
- The GCR remains a credit to customers through 2022.

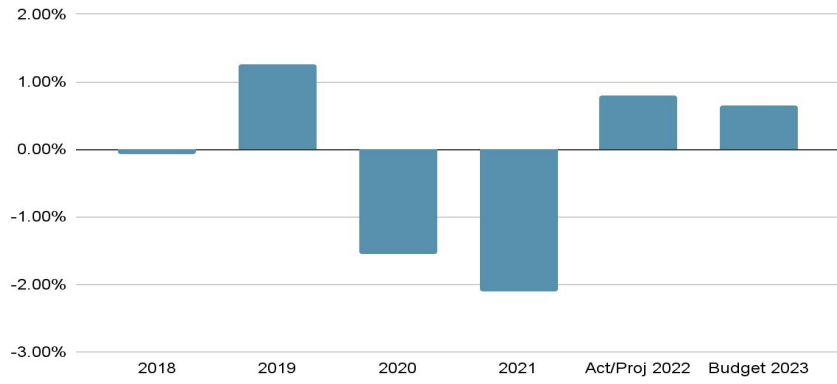
ANNUAL CHANGE IN CONSUMPTION



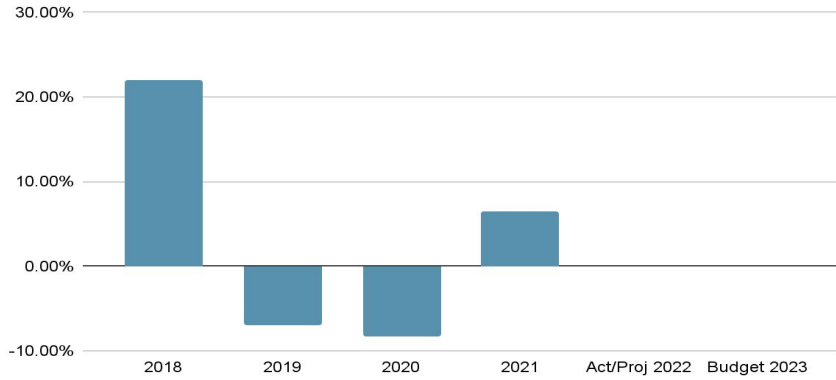
Electric



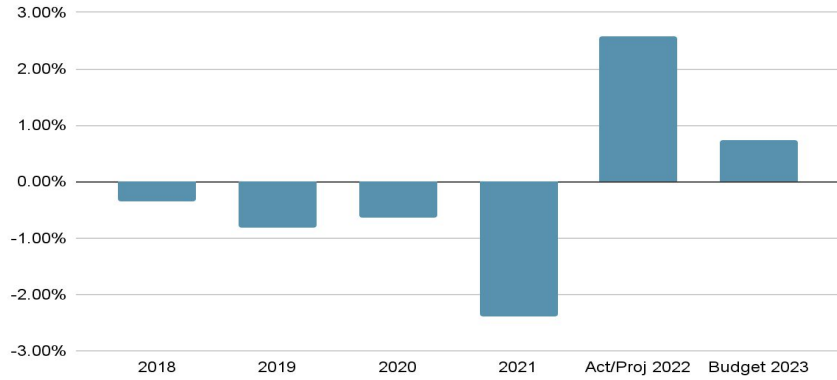
Water



Natural Gas



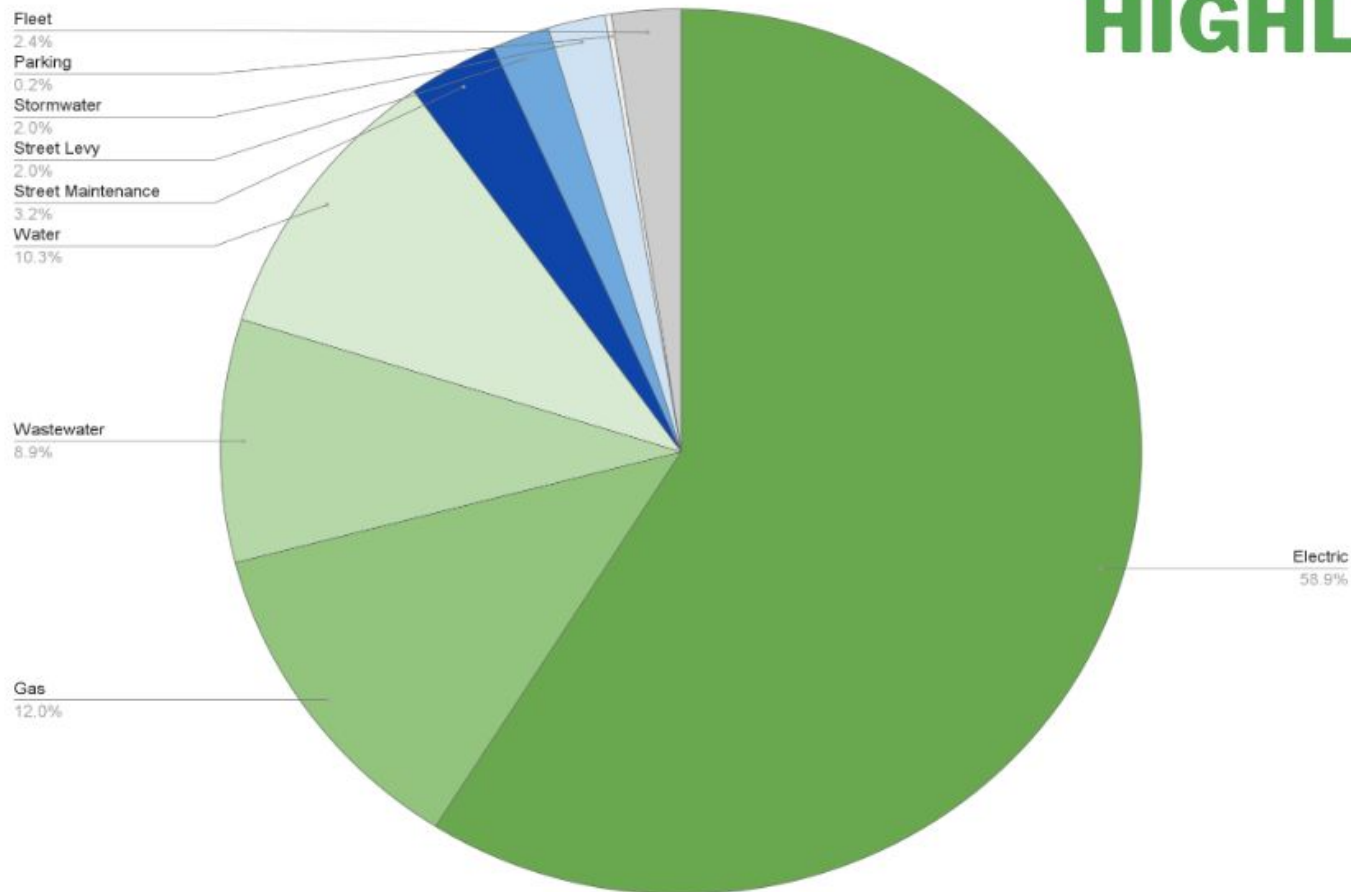
Wastewater



REVENUE HIGHLIGHTS



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Function	Division	2022	2023
Business Services	Administration	4.00	4.00
	Cust Service/Meter Reading	17.00	16.75
Engineering	Administration	3.00	3.00
	Engineering	14.36	12.36
	Parking	3.75	3.75
	Traffic	7.00	7.00
Public Works	Administration	5.00	5.00
	Fleet	11.00	11.45
	Gas/Water Distribution	39.50	39.55
	Streets & Sewers	31.45	33.25
Safety	-	3.00	3.00
Utility Operations	Administration	4.00	4.50
	Electric Production	32.70	32.55
	Electric Distribution	53.99	56.49
	Engineering	4.00	4.00
	Water Plant	19.48	19.45
	WW Plant	18.65	18.95
Total		271.88	275.05

FTES

- No new positions
- Majority of FTE increase (2.25 FTE) is increased allocations of Streets & Sewers employees (decreased from Refuse Fund)
- Remaining FTE increase reflects increased number of annual hours for some part-time positions



O&M HIGHLIGHTS

4.91% OVERALL INCREASE ACROSS INFRASTRUCTURE FUNDS



Fund	2022 Budget	2023 Proposed	(\$) Change	(%) Change
Stormwater	\$1,491,715	\$1,654,740	\$163,025	10.93%
Street Maint.	\$3,583,689	\$3,754,280	\$170,591	4.76%
Natural Gas	\$17,168,665	\$17,045,525	\$(123,140)	-0.70%
Electric	\$74,357,992	\$78,444,757	\$4,086,765	5.50%
Water	\$12,299,192	\$12,923,373	\$624,181	5.07%
Wastewater	\$8,626,727	\$9,226,489	\$599,762	6.95%
Parking	\$395,511	\$427,956	\$32,445	8.20%
Fleet	\$2,986,906	\$3,494,661	\$507,755	17.00%
CS/Meter Reading	\$2,917,123	\$2,984,484	\$67,361	2.31%
Telecomm	\$605,626	\$584,126	\$(21,500)	-3.55%

A wide-angle photograph of the Meldahl Hydroelectric Plant. The image shows a large concrete dam structure with a central powerhouse building. In the foreground, a river flows through a spillway. Two people are visible on a dirt path along the riverbank. The sky is clear and blue. The text 'FUND HIGHLIGHTS' is overlaid in large white letters.

FUND HIGHLIGHTS



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Meldahl Hydroelectric Plant
Foster, Kentucky



NATURAL GAS

- Bond Rating: A1-Stable (Moody's)
- Major Activities:
- Infrastructure Bill Funding
- Gas Leak Surveying/regulatory compliance
- Continue gas main replacement program
- Focus on SCADA system upgrades for improved reliability
- No planned rate increase, begin COS study 2023
- Awards:
- Received SOAR award in 2019 (3-year designation)
- Residential Rate Cost/unit
- 2022: \$0.72/Ccf
- 2023: \$0.72/Ccf



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ELECTRIC

- Bond Rating: A3-Stable (Moody's)
- Major Activities:
- Infrastructure Bill Funding
- Power supply portfolio
- Expand EV Charging Stations
- NERC Compliance
- Greenup Relicensing
- Implementing Step 5 of 5 year rate plan (Feb)
- Awards:
- APPA Scattergood Award 2022
- RP3 Diamond Designation - Applied for new term
- Residential Rate Cost/Unit
- 2022: \$0.1635/kWh
- 2023: \$0.1671/kWh



WATER

- Bond Rating: Aa3-Stable (Moody's)
- Major Activities:
- Infrastructure Bill Funding
- Implement Step 1 of 5 year rate plan (Jan)
- Plant upgrades to support current and future load
- Finalize HEP water tower study and funding
- Awards:
- Competing in national Berkley Springs Water contest in 2022
- Residential Rate Cost/Unit
- 2022: \$4.70/Ccf
- 2023: \$5.08/Ccf



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WASTEWATER

- Bond Rating: A1-Stable (Moody's)
- Major Activities:
- Infrastructure Bill Funding
- Construction of Heathwood force main/lift station (reg/compliance)
- Implement Step 1 of 5 year rate plan (Jan)
- Implementing Computerized Maintenance Management System (CMMS)
- Residential Rate Cost/Unit
- 2022: \$6.62/Ccf
- 2023: \$6.95/Ccf



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QUESTIONS?

