



MUNICIPAL BUILDING
655 Blacklick St.
Groveport, OH 43125
614.836.5301
www.groveport.org

To: Mayor and City Council

From: BJ King, City Administrator, Jason Carr, CPA, Finance Director

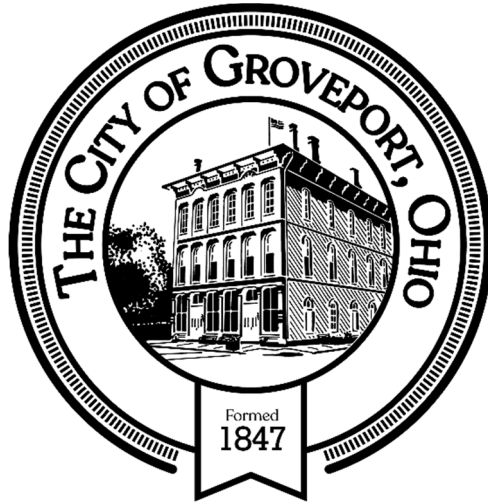
Date: July 17, 2023

Re: Financial Forecast and Budget Overview

Attached to this memo is the City of Groveport's Financial Forecast & Overview thru December 31, 2025. This forecast provides revenue projections, expenditure, and fund balance information. The forecast will serve as a foundation for future budgets and identifies several important factors to take into consideration in anticipation of the 2024 Annual Operating & Capital Expenditures budget; such as:

- I. Income tax collections: Income tax collections, after refunds, are projected to be \$22,480,197, which reflects as \$3.9 million more than calendar year 2022. The increase is primarily attributed to higher employee withholding and net profit taxes in the City's business parks. Although there is a projected increase from budgeted 2023 levels, no material modifications or changes will be made to the 2023 operating budget in order to further build strong General Fund cash reserves.
- II. Rarey's Port and Wert's Grove Interior Buildout Costs – Borrowing: Ordinance 2022-032 authorized a loan from the Debt Service Fund to the General Fund not to exceed \$2,200,000 for Rarey's Port and Wert's Grove Buildings interior buildout construction. A final accounting of the interior buildout construction costs associated with Rarey's Port (Delaney's Diner) and Wert's Grove (Little Italy Ristorante) identified a final construction cost of \$1,603,237, which was \$246,763 below the loan of \$1,850,000. The remaining balance of \$246,763 may not be sufficient to address interior buildout construction costs for the remaining space in the Rarey's Port Building (i.e. Choptank Agency LLC/Lissy Bees Boutique LLC).
- III. Water, Sewer and Stormwater Funds: The mid-year forecast includes an analysis of the City's Water, Sewer and Stormwater Funds consistent with the 2022 forecast. A consideration should be given in future budgets to perform a study to determine utility rates which would allow the City to, at a minimum, match "revenues and expenditures" to avoid deficit spending situations, primarily in the Sewer and Stormwater Funds.
- IV. 2024 General Fund Budget: The City's recently amended fund balance reserve policy requires 3 months of carryover fund balance be unappropriated, which currently is estimated at \$2,476,083. Although this is the estimated minimum and income taxes projected for 2023 are estimated to be higher, the Administration is cognizant of maintaining and/or exceeding our current Moody's Investor Services rating of Aa3, which is considered 4 out of 7 within the "Prime-1" level. As the City continues to evaluate its current capital needs, a higher debt rating will provide for lower debt service costs therefore allowing remaining income taxes to be used for operational/capital purposes.

Town Hall 648 Main Street, Groveport, OH 43125
Groveport Recreation & Aquatic Center 7370 Groveport Road, Groveport, OH 43125
Public Works Facility 7400 Groveport Road, Groveport, OH 43125
Groveport Municipal Golf Course 1005 Richardson Road, Groveport, OH 43125
Police Department 5690 Clyde Moore Drive, Groveport, OH 43125



**CITY OF GROVEPORT
FRANKLIN COUNTY, OHIO**

**FINANCIAL FORECAST & OVERVIEW
FOR THE PERIODS THROUGH DECEMBER 31, 2025**

PREPARED BY THE FINANCE DEPARTMENT

**CITY OF GROVEPORT
FRANKLIN COUNTY**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Summary and Purpose of the Forecast	1
Income Tax Revenues	1-2
Capital Purchases/Projects Completed	3
Individual Fund Projected Revenues, Expenditures and Fund Balances	
General Fund	7
Debt Service Fund	10
Street Maintenance & Repair Fund	11
Recreation & Aquatic Fund	12
Golf Course Fund	13
Capital Improvement Fund	14
Water Fund	15
Sewer Fund	16
Stormwater Fund	17
Outstanding Debt	18



MUNICIPAL BUILDING
655 Blacklick St.
Groveport, OH 43125
614.836.5301
www.groveport.org

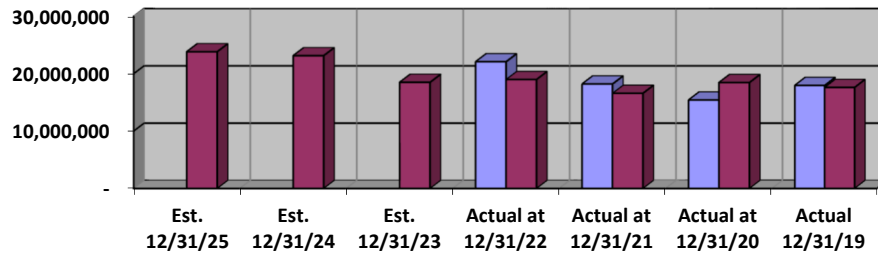
City Council, Mayor and City Administrator
City of Groveport
655 Blacklick Street
Groveport, Ohio 43125

The Administration is pleased to present the City of Groveport's (the City) historical revenue and financial forecast for Council's consideration. The purpose of this report is to provide a financial picture of the City focusing on revenue, expenditure and fund balance estimates as well as focusing on individual funds.

- ☐ Income Tax
- ☐ City Capital Improvements Completed
- ☐ Individual Fund Projected Revenues, Expenditures and Fund Balances
- ☐ Outstanding Debt

Income Tax Revenues

Income taxes received are the largest and primary source of revenue. Below is a summary of income tax receipts received, net of income tax refunds, actual and budgeted/projected:



		Income Taxes - Actual		Income Taxes - Budget	
Year		Actual		Budget	Budget Vs. Actual Variance Percentage
December 31, 2025 (Est.)*		NA		\$23,840,106	NA
December 31, 2024 (Est.)*		NA		23,150,103	NA
December 31, 2023 (Est.)*		NA		18,505,277	NA
December 31, 2022		\$22,097,672		18,994,494	116%
December 31, 2021		18,210,906		16,588,989	110%
December 31, 2020		15,417,248		18,461,518	84%
December 31, 2019		17,960,240		17,610,912	100%

Income Tax Revenues – (Continued)

The following is a breakdown of the funds which received income taxes since 2016, net of income tax refunds:

Year	General Fund	Rainy Day Fund	Debt Service Fund	Capital Improvement Fund	Total
2025 *	\$ 20,136,590	\$ 150,000	\$ 1,184,505	\$ 2,369,011	\$ 23,840,106
2024 *	19,550,087	150,000	1,150,005	2,300,011	23,150,103
2023 *	18,980,667	150,000	1,116,510	2,233,020	22,480,197
2022	18,655,521	150,000	1,097,384	2,194,767	22,097,672
2021	15,351,770	150,000	903,046	1,806,090	18,210,906
2020	12,213,799	150,000	1,522,973	1,530,476	15,417,248
2019	14,304,155	150,000	3,506,085	-	17,960,240
2018	13,806,860	150,000	3,451,495	-	17,408,355
2017	13,375,862	150,000	3,343,965	-	16,869,827
2016	12,440,340	100,000	2,207,696	-	14,748,036

* - For purposes of projecting income taxes the allocation of income taxes is at the current rate of 85% (General Fund), 5% (Debt Service Fund), and 10% (Capital Projects Fund) beginning January 1, 2021. For calendar year 2023-2024, we assume that total income taxes will increase 3% from the previous year. Calendar year 2023 income taxes were estimated based on YTD collections through June 30, 2023 while remainder of 2023 estimates based on 2022 actuals.

The following table illustrates the source of income tax revenues, net of income tax refunds that are and may be collected by the City:

Net Income Tax Revenue Base and Collections							
For the Year-To-Date-ended December 31, 2016 through December 31, 2025							
Tax Year	Total Taxes Collected	Taxes from Withholdings	% of Taxes from Withholdings	Taxes from Net Profits	% of Taxes from Net Profits	Taxes from Individuals	% of Taxes from Individuals
2025	\$23,840,106	\$16,525,961	69.32%	\$6,908,863	28.98%	\$405,284	1.70%
2024	23,150,103	16,047,651	69.32%	6,708,900	28.98%	393,551	1.70%
2023	22,480,197	15,583,273	69.32%	6,514,761	28.98%	382,164	1.70%
2022	22,097,672	15,308,106	69.32%	6,403,905	28.98%	385,661	1.70%
2021	18,210,906	13,503,387	74.15%	4,399,755	24.16%	307,764	1.69%
2020	15,417,248	11,555,227	74.95%	3,553,676	23.05%	308,345	2.00%
2019	17,960,240	14,502,893	80.75%	3,146,634	17.52%	310,713	1.73%
2018	17,408,355	14,783,175	84.92%	2,165,599	12.44%	459,581	2.64%
2017	16,869,827	12,863,243	76.25%	3,802,459	22.54%	204,125	1.21%
2016	14,748,036	11,099,372	75.26%	3,436,292	23.30%	212,372	1.44%

NOTES FOR TABLE:

Withholdings = Income taxes withheld from individuals who work within the corporate limits.

Net Profits = Income taxes paid by businesses from revenues exceeding expenses after considering adjustments.

Individuals = Income taxes paid by residents who did not receive credit from taxes paid to another municipality or those who live and work in the corporate limits. Income tax percentages for 2022-2016 derived from audited figures while 2023-2025 are estimates based on information known as of the date of this report.

Financial Summary: Based on the sources of income taxes collected we must continue to be diligent retaining and seeking new businesses to the City of Groveport. Many programs offered by the City are not self-supporting and rely on the General Fund to supplement their operations. Although mandatory income tax filing has seen a small increase in collections, business employee withholding will continue to be the largest source of income tax collections.

Income tax projections are based on a conservative 3% increase from actual calendar year 2022 collections although the City recorded a 21.3% increase over 2021 levels. Our expected increase is based on known factors and conditions as of the date of this report, considering no material changes in employment levels from the City's industrial parks.

Capital Purchases/Projects Completed

Year	Project Description	Cost	Funding Source
2012	Police Vehicles & Equipment	\$178,736	Leases
2012	Municipal Building Improvements	196,962	City Funds
2012	Lesleh Avenue Improvements	251,173	Grants/Loan
2012	Public Works Dump Truck	145,162	Lease
2012	Golf Course Clubhouse Improvements	215,623	City Funds
	Total 2012 Capital Improvements	987,656	
2013	Phone System	58,372	City Funds
2013	Town Hall Improvements	50,775	City Funds
2013	Golf Carts & Equipment	353,444	Leases
2013	Golf Course Shoreline Improvements	109,943	Bonds
2013	Aquatic & Rec. Center Improvements	80,293	Leases
2013	State Route 317 Improvements	317,230	City Funds
2013	Water Meters and Installation	263,137	City Funds
2013	Sewer Meters and Installation	259,683	City Funds
	Total 2013 Capital Improvements	1,492,877	
2014	Police Vehicles & Equipment	210,983	Leases
2014	Town Hall Improvements	104,642	City Funds
2014	Police Building Improvements	964,319	Bond Anticipation Notes
2014	Spiegel Road	1,154,418	Grants/Loans
2014	Golf Course Improvements & Equipment	148,330	City Funds and Leases
2014	Aquatic & Recreation Center Improvements	84,551	City Funds
2014	Vehicles & Sidewalk Improvements	127,682	Leases and City Funds
2014	Parks & Senior Transportation Vehicles & Equipment	108,620	Leases
	Total 2014 Capital Improvements	2,903,545	
2015	Port Road Improvements	1,043,131	Grants
2015	Water Plant	2,997,652	Bonds
2015	Town Center	2,174,142	Bonds
2015	Passenger Buses	248,200	Leases
2015	Park Equipment & Vehicles	83,404	Leases
2015	Police Vehicles	80,765	Leases
2015	Golf Course Equipment	93,292	Leases
2015	Public Works Equipment & Vehicles	85,813	Leases
	Total 2015 Capital Improvements	6,806,399	
2016	Natatorium Roof	1,432,521	City Funds
2016	Golf Course Hillside Improvements	1,283,540	Bonds
2016	Police Vehicles and Equipment	135,851	Lease
2016	Security System	37,250	City Funds
2016	Outdoor Warning Siren	12,140	City Funds
2016	Park Department Vehicles and Equipment	107,564	Lease
2016	Building and Zoning Vehicles	21,462	Lease
2016	Street Department Freightliner & Bucket Truck	256,025	Lease
2016	Golf Course Equipment	62,130	Lease
2016	Golf Course Sewer Improvements	477,296	City Funds
2016	West Bixby Road Improvements	45,144	City Funds
2016	Hendron Road Improvements	128,325	City Funds
2016	Wellfield Improvements	35,660	City Funds
	Total 2016 Capital Improvements	4,034,908	

Capital Purchases/Projects Completed – (Continued)

Year	Project Description	Cost	Funding Source
2017	Senior Transportation Van	\$10,524	City Funds
2017	Outdoor Warning Siren	12,875	City Funds
2017	East Bixby Road Rehabilitation	32,589	City Funds
2017	Hendron Road Improvements	21,187	OPWC Grant
2017	West Bixby Road Improvements	555,138	OPWC Grant
2017	Senior Transportation Van	49,179	MORPC Grant
2017	Golf Carts	230,250	Lease
2017	Golf Course Maintenance Sprayer	34,847	Lease
2017	Golf Course Utility Tractor	24,641	Lease
2017	Municipal Building Windows	6,400	City Funds
2017	Police Car Camera and Radios	19,129	City Funds
2017	Sidewalk Repair and Improvements	61,110	City Funds
2017	Recreation – Pool Pump, Dectron Unit, Fire Alarm	52,587	City Funds
2017	Golf Course Clubhouse Roof	38,497	City Funds
2017	Street Maintenance and Repairs	89,688	City Funds
2017	Hendron Road Improvements	438,790	OPWC Funds
2017	Annual Street Paving	484,367	City Funds
2017	Wellfield Improvements	70,572	City Funds
2017	Well Improvements	24,327	City Funds
	Total 2017 Capital Improvements	2,256,697	
2018	Police Building HVAC/Barn Roof	159,155	City Funds
2018	Two Police Cruisers – Outfitted	120,000	Lease Proceeds
2018	Senior Transportation Van	13,000	City Funds
2018	Municipal Building HVAC	219,420	City Funds
2018	Municipal Building Water Damage	62,010	City Funds
2018	Computer Server	20,000	City Funds
2018	Food Pantry Roof Replacement	15,000	City Funds
2018	Real Estate Land Acquisition	250,000	City Funds
2018	Parks – Scag Mower & Chevy Pick-Up	43,832	Lease Proceeds
2018	Annual Street Maintenance	450,000	City Funds
2018	West Main Curb Ramps	34,000	City Funds
2018	Sidewalks	50,000	City Funds
2018	Pickup Trucks – Street Dept.	60,000	Lease Proceeds
2018	Park Development	75,000	City Funds
2018	Paths and Parking – Groveport Park	32,000	City Funds
2018	Senior Transportation Van	52,000	Grant Funds
2018	Recreation – Vinyl and Carpet Flooring	58,180	City Funds
2018	Range Picker – Golf Course	7,100	Lease Proceeds
2018	Sidewinder Rough Mower – Golf Course	35,000	Lease Proceeds
2018	Bus Stops	10,000	City Funds
2018	West Bixby Road	41,015	OPWC Loan
2018	Hendron Road	1,138,471	OPWC Loan
2018	Firehouse Lane Project	32,218	City Funds
2018	Glendening Sanitary Sewer Rehab	195,000	City Funds
2018	SSES Activities	50,000	City Funds
2018	Force Main Replacements	50,000	City Funds
2018	Lift Station Generator Engineering	20,000	City Funds
2018	Bridges – Storm Water	20,000	City Funds
2018	Street Maintenance – Storm Water	105,000	City Funds
2018	West Bixby Road – Storm Water	34,300	City Funds
2018	Ditch Maintenance – Storm Water	5,000	City Funds
2018	Hendron Ditch and Pump Station – Storm Water	85,000	City Funds
2018	Culvert & Basin Maintenance – Storm Water	2,500	City Funds
2018	Miscellaneous Storm Inlet Improvements	65,000	City Funds
2018	Front Street Water Service Replacements	100,000	Debt Proceeds
2018	Hanstein Water Main	644,000	Debt Proceeds
	Total 2018 Capital Improvements	4,684,401	

Capital Purchases/Projects Completed – (Continued)

Year	Project Description	Cost	Funding Source
2019	2 Police Cruisers (including equipment)	\$106,265	Lease
2019	Police Building Security Upgrade	10,251	City Funds
2019	Police Body Cameras and Software	89,105	Installment Loan
2019	Town Hall Finance Software - RecTrac	7,989	City Funds
2019	Vehicle Speed Trailer	9,969	City Funds
2019	Kubota Tractor	22,280	City Funds
2019	Senior Transportation Van	8,756	Grant Funds
2019	Senior Transportation Van	35,023	City Funds
2019	72" Scag Mower	9,406	Lease
2019	Seamless Docs	6,037	City Funds
2019	2019 Ford E350	61,549	Lease
2019	2018 Transit Vehicle	36,712	Lease
2019	Indoor Pool Heater/Boiler	30,000	City Funds
2019	Security System – Recreation Center	28,096	City Funds
2019	Indoor Pool Diving Board	11,950	City Funds
2019	Golf Course Land Improvements – Hole #14	128,464	City Funds
2019	Golf Course Swing Bridge	24,037	City Funds
2019	Clubhouse HVAC	99,850	City Funds
2019	Rick Central Sanitary Sewer	378,915	Capital Contribution (Grant)
2019	Glendenning Sewer Rehab	27,383	City Funds
2019	Glendenning Stormwater Rehab	9,291	City Funds
2019	Fire Hydrant Cleaning System	9,924	City Funds
	Total 2019 Capital Improvements	5,354,695	
2020	3 Police Cruisers (including equipment)	149,385	Lease
2020	Police Department CCTV Recording System	27,370	City Funds
2020	Municipal Building Fence – HVAC System	9,800	City Funds
2020	2020 Chevrolet Silverado - Parks	37,817	Lease
2020	Turf Tiger Mower – Parks	11,088	Lease
2020	Durapatcher	66,258	City Funds
2020	2020 Ford F-550	65,616	City Funds
2020	Firehouse Lane Improvements	566,585	Debt, City Funds
2020	East Bixby Road Rehab	389,438	City Funds
2020	Kroger/Main Street Signal Repair	19,317	City Funds
2020	Cemetery Well	5,100	City Funds
2020	Cemetery Mower	18,878	City Funds
2020	Bixford Green Bike Path	156,614	Natureworks Grant, City Funds
2020	Octagon Table – Recreation	6,200	City Funds
2020	Six (6) Pool Pumps and Installation	40,070	City Funds
2020	Recreation Bldg. Concrete Repairs	21,500	City Funds
2020	Recreation Building HVAC Fence	9,500	City Funds
2020	Indoor Pool Column Repair	25,830	City Funds
2020	Recreation Bldg. Boiler Room Pipe Repair	22,250	City Funds
2020	Golf Course Bldg. – Walk In Cooler	13,713	City Funds
2020	Golf Course Bldg. – HVAC System Roof	18,426	City Funds
2020	Ventrac Mower – Golf	30,749	Lease
2020	Golf Course Bridge Reinforcement	6,270	City Funds
2020	480 Main Street Land and Bldg. Demo	171,119	City Funds
2020	S. Hamilton/Higgins Blvd. Phase 1	403,540	Private Developer
2020	Main Street Lift Station Pump	25,800	City Funds
2020	Elmont Force Main Improvements	125,544	City Funds
	Total 2020 Capital Improvements	2,443,777	

Capital Purchases/Projects Completed – (Continued)

Year	Project Description	Cost	Funding Source
2021	2 Police Tahoes (including equipment)	\$18,477	City Funds
2021	Town Hall Roof Harness	9,393	City Funds
2021	2 SCAG Mowers – Parks	24,056	Lease
2021	Public Works Building Security Gate	5,567	City Funds
2021	College & Main Street Signal Cabinet	9,946	City Funds
2021	Snow Plow	15,210	City Funds
2021	Flail Mower with Off-Set	7,978	Grant Funds
2021	Public Works Building Security Cameras	8,734	City Funds
2021	Groveport Cemetery Drive Paving	28,808	City Funds
2021	Fingerprint Machine	6,500	City Funds
2021	Wedge Trailer	8,999	City Funds
2021	Polaris Ranger Side by Side	14,074	City Funds
2021	Aquatic Center Security Cameras	9,617	City Funds
2021	Golf Course – 1 st Hole Tee – Irrigation System	40,523	City Funds
2021	Preemptive Traffic Signal Upgrade	26,075	City Funds
2021	Groveport Cemetery Flagpole	8,525	City Funds
2021	Hickory Grove Section 3A Infrastructure	891,950	Private Developer
2021	Trench Box	9,099	City Funds
2021	Security Gate Water Plant	7,318	City Funds
2021	Gate Installation and Post	6,500	City Funds
2021	Security Cameras – Water Plant	5,613	City Funds
2021	Bixford/Lower Court Lift Station Rehab	30,285	City Funds
2021	Walnut Street Sewer Line & Manhole	15,950	City Funds
	Total 2021 Capital Improvements	1,209,197	
2022	Police Building Security Improvements	24,361	City Funds
2022	Dell Power Edge Server	8,196	City Funds
2022	MDT Computers – Police	7,698	City Funds
2022	2021 Chevrolet Malibu & Equipment – Police	25,821	City Funds
2022	2021 Chevrolet Malibu & Equipment – Police	35,346	City Funds
2022	Radio Equipment – Police	13,120	City Funds
2022	Lie Detector – Police	5,995	City Funds
2022	Copier – Town Hall	12,101	City Funds
2022	Roof HVAC Unit – Municipal Building	12,869	City Funds
2022	SCAG Mower – Parks	7,739	City Funds
2022	Front End Loader & Bucket – Public Works	139,801	City Funds
2022	Speed Trailer – Police	7,975	City Funds
2022	Air Conditioner Roof Compressor – Golf	8,290	City Funds
2022	Culligan Water System – Golf	23,589	City Funds
2022	Truckster XD – Golf Maintenance	34,856	City Funds
2022	2019 Ford AllStar E450 – Transportation	64,514	Lease
2022	West Bixby Phase 2 Infrastructure	2,984,790	OPWC Loan, City Funds
2022	674 Main Street – Building & Equipment	3,870,267	Debt Proceeds
2022	480 Main Street – Building & Equipment	3,747,346	Debt Proceeds
2022	Hendron Road Fencing	7,700	City Funds
2022	Hickory Grove Infrastructure (Streets)	609,799	Private Developer
2022	Hickory Grove Infrastructure (Water/Sewer/Storm)	1,641,610	Private Developer
2022	Rohr Road to Port Road Infrastructure	72,000	City Funds
2022	Toy/Saltzgaber Road	8,000	City Funds
	Total 2022 Capital Improvements	13,373,783	
	Total 2012-2022 Capital Improvements	\$41,013,292	

Since 2012, the City has completed (or is in the process of completing) \$41,013,292 projects which have been paid for as follows:

Capital Purchases/Projects Completed – (Continued)

Funding Source	Amount	Funding Source %
City Funds	\$9,171,302	22%
Debt (Bonds & Leases)	25,583,403	62%
Grants	2,711,688	7%
Private Developer	3,546,899	9%
Total	\$41,013,292	100%

Financial Summary: The City has completed \$41 million in capital related improvements since 2012 noting that many projects have been financed through long-term debt. A significant portion of this debt is paid from the Debt Service Fund and non-General Fund departments. The City began allocating a portion of income tax revenues to the Capital Improvement Fund beginning in 2020 for the purpose of infrastructure related improvements (i.e. street paving, curbing, etc.). For future years, a consideration should be given to expanding the use of funds contributed to include any capital related improvement, so long as it is greater than \$5,000 and meets the definition of a capital asset.

Individual Fund Projected Revenues, Expenditures and Fund Balances

The City has 35 active funds which are budgeted by the City and of these funds, for purposes of our analysis we will focus on the General Fund, Debt Service Fund, Street Maintenance & Repair Fund, Recreation & Aquatic Center Fund, Golf Course Fund, Water Fund, Sewer Fund and Stormwater Fund. The primary purpose for which we will focus on these funds is they are reliant on income tax revenues or subsidies from the General Fund (transfers out) in order to maintain a balanced budget.

GENERAL FUND

Revenues – Income taxes continue to be the largest and most significant revenue source for the General Fund. All other revenue categories are expected to increase 1%-3%. Interest revenue is expected to decline based on an expectation federal funds rates will begin to decrease in 2025 while other revenue is expected to decrease based a decrease in the Regional Income Tax Agency Retainer reimbursement. The table below provides an overview of activity since 2019 (2019-2022 represent actual revenues and expenditures while 2023-2025 are estimates):

Revenue Source/Year	2019	2020	2021	2022	2023	2024	2025
Income Taxes (Net)	\$14,034,155	\$12,213,799	\$15,351,770	\$18,655,521	\$18,980,667	\$19,550,087	\$20,136,590
Property & Other Taxes	393,061	418,222	503,841	516,805	549,804	560,800	534,629
Charges for Services	193,329	172,964	187,156	195,865	285,180	290,884	198,592
Fines, Licenses, Permits	337,721	338,888	445,975	307,678	355,081	362,183	473,227
Intergovernmental	124,061	132,657	153,331	174,862	158,357	161,524	144,958
Special Assessments	2,771	1,871	4,638	9,731	7,101	4,500	2,000
Investment Income	156,338	130,814	116,421	180,007	458,676	450,000	125,000
Other	204,983	715,514	306,266	358,288	645,775	475,000	475,000
Advances In	0	0	0	1,850,000	0	0	0
Sale of Debt/Leases	326,066	48,905	52,313	0	11,735	25,000	25,000
Total	\$15,772,485	\$14,173,634	\$17,121,711	\$22,248,757	\$21,452,376	\$21,879,977	\$22,418,988

Expenditures – Expenditures are expected to begin increasing by 10% based on inflation and expected increases in salaries and benefits beginning 2023. The increase in security in persons and property attributed to hiring more police officers combined with increases related to union agreements. Economic development decreased in 2023 associated with the City not contributing money to the Groveport CIC for interior buildouts. Finally, advances out represent the General Fund repaying the loan to the Debt Service Fund over 20 years associated with money for previously referenced paid to the Groveport CIC for interior buildouts. The table below provides an overview of activity since 2019:

Functions/Year	2019	2020	2021	2022	2023	2024	2025
General Government	\$5,463,447	\$2,690,613	\$2,918,996	\$3,042,010	\$3,346,211	\$3,680,832	\$4,048,915
Security Persons Property	4,027,382	4,389,588	4,402,123	5,097,211	5,606,932	6,167,625	6,784,388
Public Health	49,878	52,040	53,537	54,632	60,095	66,105	72,715
Economic Development	149,288	1,375,585	2,148,423	3,988,115	2,351,927	2,587,219	2,845,831
Leisure Time Activity	587,115	1,694,582	1,777,482	2,075,509	2,283,060	2,511,366	2,762,502
Community Environment	731,306	641,963	711,653	718,099	789,909	868,900	955,790
Transportation	180,883	98,367	98,406	57,015	62,717	68,988	75,887
Debt Service	195,704	194,614	317,254	435,730	387,233	307,786	291,258
Advances Out	0	0	0	0	153,335	154,605	153,753
Transfers Out	3,452,552	2,815,425	2,732,900	2,824,000	4,075,000	3,500,000	3,500,000
Total	\$14,837,555	\$13,952,777	\$15,160,774	\$18,292,321	\$19,116,419	\$19,913,246	\$21,491,039

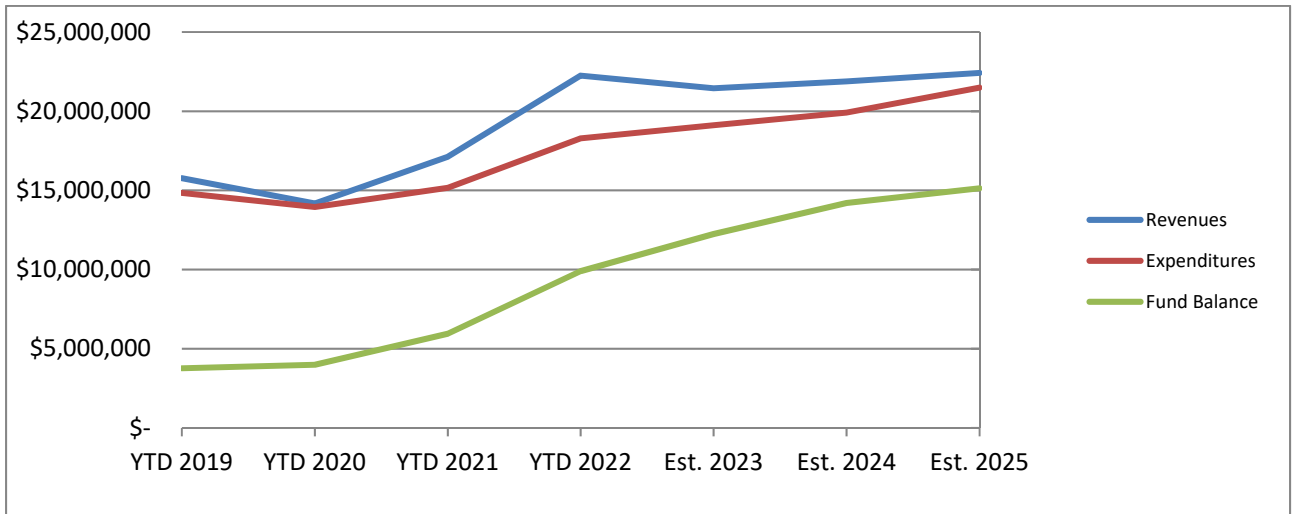
Specific to transfers out, the General Fund will be expected to supplement the operations of the following funds based on the expectation that these funds revenues will not equal or exceed expenditures. Estimates for 2024 and 2025 are contingent on capital related projects, specifically the Street Maintenance and Repair Fund Recreation & Aquatic Center Fund and Golf Course Fund:

Year	Street Fund	Parks	Recreation & Aquatic Fund	Golf Course Fund	Transportation Services Fund	Termination Fund
2023	\$ 800,000	\$ 75,000	\$ 1,800,000	\$ 800,000	\$ 300,000	\$ 100,000
2024	550,000	75,000	1,775,000	750,000	150,000	100,000
2025	550,000	75,000	1,775,000	750,000	150,000	100,000
Transfers In	<u>\$ 1,900,000</u>	<u>\$ 225,000</u>	<u>\$ 5,350,000</u>	<u>\$ 2,300,000</u>	<u>\$ 600,000</u>	<u>\$ 300,000</u>

Year	Senior Center Fund	Total Transfers Out
2023	\$ 200,000	\$ 4,075,000
2024	100,000	3,500,000
2025	100,000	3,500,000
Transfers In	<u>\$ 400,000</u>	<u>\$ 11,075,000</u>

Individual Fund Projected Revenues, Expenditures and Fund Balances

Yearly Revenue, Expenditure and Fund Balance – General Fund Year to Date December 31, 2019 through December 31, 2025



Year	YTD 2019	YTD 2020	YTD 2021	YTD 2022	Est. 2023	Est. 2024	Est. 2025
Revenues	\$15,772,485	\$14,173,634	\$17,121,711	\$22,248,757	\$21,452,376	\$21,879,977	\$22,418,988
Expenditures	14,837,555	13,952,777	15,160,774	18,292,321	19,116,419	19,913,246	21,491,039
Fund Balance	3,766,104	3,986,961	5,947,898	9,904,334	12,240,291	14,207,022	15,134,971

Financial Summary: Our assumptions are based on a material recession to the local economy which will allow for our revenue expectations to increase 1% between 2025 estimates and actual 2022 revenues. Expenditures are expected to increase approximately 10% each year beginning in 2023 which is still below projected revenues. Income tax revenues are expected to comprise 88%, 89%, and 90% of total General Fund revenues for the years ending December 31, 2023, 2024 and 2025, respectively. Therefore, a material decrease in income tax collections will significantly impact these projections.

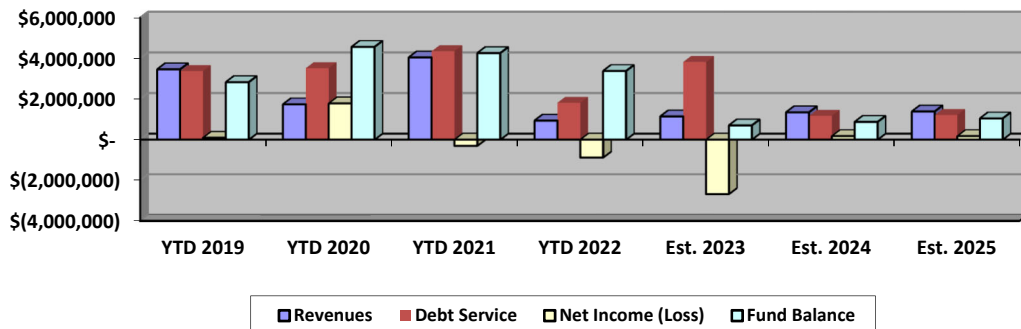
An expected 17% increase has been estimated when comparing the change between the year ending December 31, 2025 and December 31, 2022. The increase is inflation for contractual services (i.e. cleaning services, HVAC, etc.), operating supplies while combined with higher wages and benefits for employees (compensation study is expected to be completed in 2023 which may impact the salary schedule).

Continued growth of the City's General Fund balance is a significant measure in determining the debt rating through Moody's Investor's Services and therefore the Administration will manage revenues and expenditures to ensure the projected growth in the above table.

Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)

DEBT SERVICE FUND

**Yearly Revenue, Debt Service, Net Income (Loss) and Fund Balance –Year to Date December 31,
2019 through December 31, 2025**



Year	YTD 2019	YTD 2020	YTD 2021	YTD 2022	Est. 2023	Est. 2024	Est. 2025
Revenues	\$1,735,375	\$4,047,059	\$933,558	\$1,141,191	\$1,342,651	\$1,382,931	\$1,424,418
Debt Service	3,519,605	4,350,324	1,814,468	3,821,262	1,171,298	1,211,700	1,350,275
Net Income (Loss)	1,784,230	(303,265)	(880,910)	(2,680,071)	171,353	171,231	74,143
Fund Balance	4,562,233	4,258,968	3,378,058	697,987	869,340	1,040,571	1,114,714

Financial Summary - All debt which is paid from the Debt Service Fund is collateralized by income taxes noting the City allocates 5% of income taxes received (after considering the allocation to the Rainy Day Fund in accordance with Ordinance 16-049) beginning January 1, 2020.

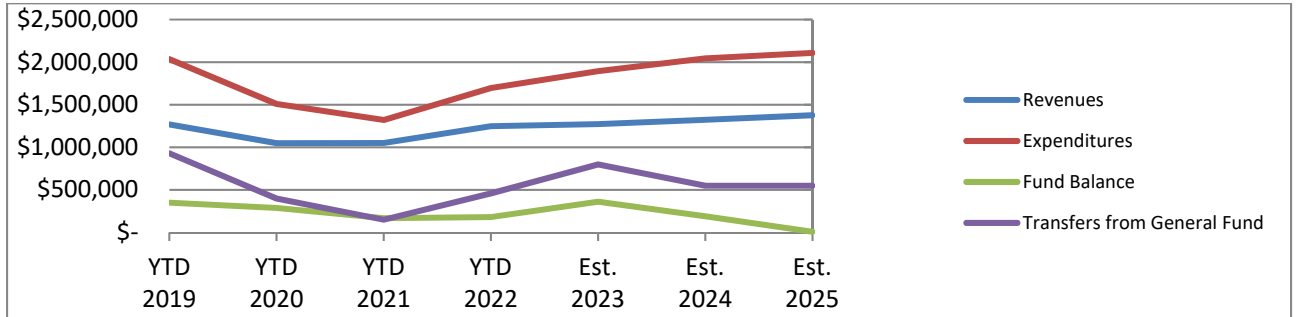
The large decrease in 2022 is attributed to the Debt Service Fund loaning the General Fund \$1,850,000 for interior buildout costs associated with the first floors of the Rarey's Port and Wert's Grove Buildings. This loan will be repaid over 20 years beginning with the first year of repayment beginning in 2023.

Debt service expenditures include a continued payment of \$300,000 toward the issuance of debt attributed to the Golf Course cart path project.

Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)

STREET MAINTENANCE & REPAIR FUND

Yearly Revenue, Expenditures, Fund Balance and Transfers from the General Fund –Year to Date December 31, 2019 through December 31, 2025



Year	YTD 2019	YTD 2020	YTD 2021	YTD 2022	Est. 2023	Est. 2024	Est. 2025
Revenues	\$1,268,567	\$1,049,090	\$1,050,426	\$1,248,555	\$1,273,198	\$1,324,126	\$1,377,091
Expenditures	2,035,397	1,509,710	1,321,306	1,694,929	1,893,641	2,045,132	2,108,743
Fund Balance	349,408	288,788	167,908	181,534	361,091	190,085	8,433
Transfers from the General Fund	930,000	400,000	150,000	460,000	800,000	550,000	550,000

Financial Summary: Historically the revenues received by the Street Maintenance & Repair Fund (Gasoline and Motor Vehicle License Taxes) are not sufficient to cover operations of the department (for example, in 2022 these revenues totaled \$943,798 and operational expenses consisting of salaries and benefits, supplies and contractual services totaled \$1,501,371 which resulted in an operating deficit of \$557,573. Therefore, in order to balance the Street Maintenance & Repair Fund’s budget before considering capital outlay or debt service expenditures, transfers were necessary from the General Fund to address this deficiency.

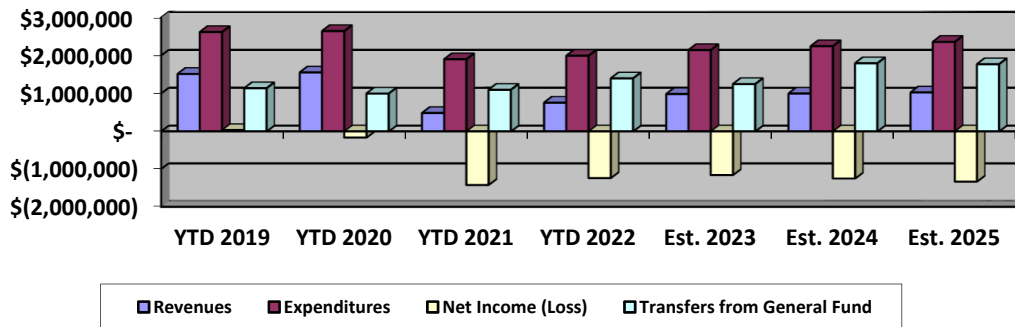
Year-to-date motor vehicle license taxes and gasoline taxes are currently trending at the projected budget of \$925,000 and therefore the estimated transfer from the General Fund should be \$800,000 as budgeted.

Expenditure assumptions beginning in 2023 assume moderate increases in salaries and benefits (cost of living is projected to be 10% by year-end along with health insurance increases of 10%) combined with the general cost of doing business (i.e. contractual services/supplies). Several of the City’s large vehicle fleet (i.e. dump trucks) are in need of replacement and the City will need to determine if increasing debt service or allocating a portion of Capital Improvement Fund dollars should be earmarked accordingly.

Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)

RECREATION & AQUATIC FUND

Yearly Revenue, Expenditures, Net Income (Loss) and Transfers from the General Fund –Year to Date December 31, 2019 through December 31, 2025



Year	YTD 2019	YTD 2020	YTD 2021	YTD 2022	Est. 2023	Est. 2024	Est. 2025
Revenues	\$1,557,718	\$486,305	\$761,331	\$989,555	\$1,001,033	\$1,031,064	\$1,061,996
Expenditures	2,647,668	1,905,841	1,997,418	2,146,817	2,249,382	2,361,851	2,479,944
Net Income (Loss)	(163,033)	(1,419,536)	(1,236,087)	(1,157,262)	(1,248,349)	(1,330,787)	(1,417,948)
Transfers from the General Fund	1,000,000	1,100,000	1,400,000	1,250,000	1,800,000	1,775,000	1,775,000

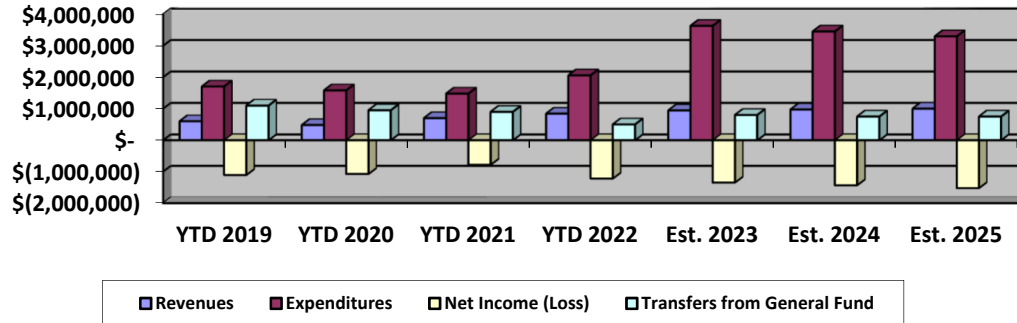
Financial Summary: The City has been able to reduce the net loss from operations since the pandemic high of 2020 which is attributed to controlling expenses combined with a general re-opening allowing for increased sales. Although the General Fund will still need to supplement operations (income tax money collected will be transferred to the Recreation & Aquatic Fund), there is an opportunity to expand programming which may increase revenues to the Recreation Center which may reduce reliance on the General Fund. This is evidenced by the increase in revenues of \$228,224 between 2021-2022 and also projections for calendar year 2023 of \$1,001,033.

The Recreation and Aquatic Center has reached 25 years and money needs to be invested into these facilities to address roof issues at the Recreation Center and issues that have been developed at the Aquatic Center, which includes necessary grading of outdoor floor, painting of the outdoor pool floor (this was performed in 2023), and plumbing/roofing issues that have arisen over the years.

Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)

GOLF COURSE FUND

Yearly Revenue, Expenditures, Net Income (Loss) and Transfers from the General Fund –Year to Date December 31, 2019 through December 31, 2025



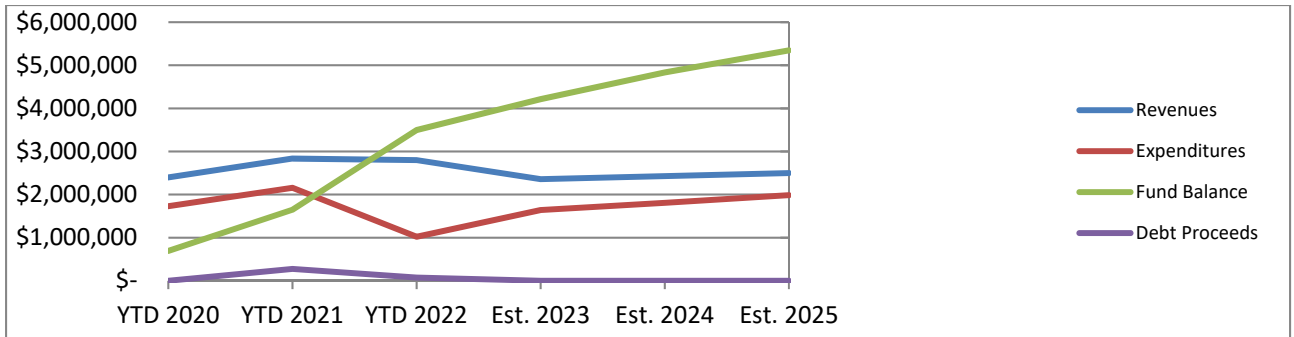
Year	YTD 2019	YTD 2020	YTD 2021	YTD 2022	Est. 2023	Est. 2024	Est. 2025
Revenues	\$601,551	\$480,258	\$702,303	\$842,938	\$945,777	\$974,150	\$1,003,375
Expenditures	1,706,172	1,583,677	1,481,752	2,061,003	3,634,384	3,454,903	3,300,148
Net Income (Loss)	(1,104,621)	(1,072,670)	(779,449)	(1,218,065)	(1,344,607)	(1,430,753)	(1,521,774)
Debt Proceeds	0	30,749	0	1,600,000	1,300,000	1,000,000	700,000
Transfers from the General Fund	1,100,000	950,000	900,000	500,000	800,000	750,000	750,000

Financial Summary: The Golf Course fund reported net loss of \$(1,218,065) in 2022 which excludes transfers from the General Fund of \$500,000 and debt proceeds of \$1,600,000. Operating revenues have increased based on increases in daily rates and future increases associated with the sale of range balls and ancillary services. However, these increases are not expected to match the cost increases between years as we expect 6-8% increases in costs, primarily driven by personnel and also general cost for chemicals and maintenance related items. The City will continue to reduce the cart path debt liability each year through via payments from the Debt Service Fund.

Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)

CAPITAL IMPROVEMENT FUND

Yearly Revenue, Expenditures, Fund Balance and Debt Proceeds –Year to Date December 31, 2020 through December 31, 2025



Year	YTD 2020	YTD 2021	YTD 2022	Est. 2023	Est. 2024	Est. 2025
Revenues	\$2,396,938	\$2,811,560	\$2,798,155	\$2,356,971	\$2,427,680	\$2,500,511
Expenditures	1,730,914	2,132,709	1,021,796	1,642,812	1,807,093	1,987,803
Fund Balance	693,837	1,107,777	3,498,319	4,212,748	4,833,065	5,345,773
Debt Proceeds	0	274,242	75,030	0	0	0

Financial Summary: Beginning in 2020, the City began allocating 10% of income taxes collected to the Capital Improvement Fund providing a dedicated revenue source contrary to utilizing the Street Maintenance and Repair Fund and transferring money from the General Fund. Furthermore, the purpose of this fund is to provide necessary resources for infrastructure improvements, such as the annual street paving program, sidewalk repairs, and local match for grants the City may become eligible.

Revenue projections are based on the City not changing the current income tax percentage allocation from 10% to a lower percentage.

Management has been conservative in budgeting and based on this approach, has built a significant fund balance that can be used for unforeseen infrastructure projects and/or general capital improvements throughout the City. The increase in fund balance is also attributed to budgeted 2023 projects that have not started or are not encumbered, such as the following:

Project	Budget Amount
Kidspace Demolition	\$500,000
Rarey's Port Second Floor Construction	550,000
Wert's Grove Second Floor Construction	550,000
Total	\$1,600,000

Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)

WATER AND SEWER FUNDS

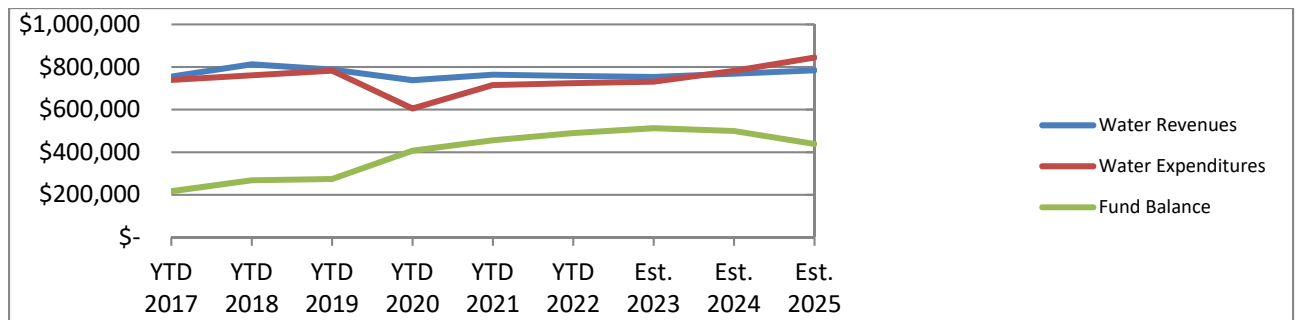
Calendar year 2023 residential water and sewer billing rates, based on an estimate of 7,000 gallons, including surcharges, for Central Ohio is as follows:

Municipality	Water and Sewer Rate
Columbus	\$146.02
Worthington	148.89
Grandview	158.26
GROVEPORT	153.41
Urbancrest	154.02
Minerva Park	177.92
Brice	156.47
Grove City	156.37
Marble Cliff	158.98
Dublin	163.34
Upper Arlington	164.95
Hilliard	167.01

Water rates are approved by City Council noting the last increase was in 2018 via Ordinance No. 18-047, implementing a 3% increase to \$10.44 per 1,000 gallons effective the first billing cycle in 2019. Prior to this last increase, City Council approved Ordinance 12-035 which provided a 20% increases over the next six (6) beginning in 2012 and ending the first billing cycle in 2017. Sewer and Clean River rates are increased each year based on action taken by the City of Columbus Division of Public Utilities upon conclusion of the Sewer and Water Advisory Board (SWAB) meeting that is held annually.

WATER FUND

Yearly Revenue, Expenditures, Fund Balance and Debt Proceeds –Year to Date December 31, 2017 through December 31, 2025



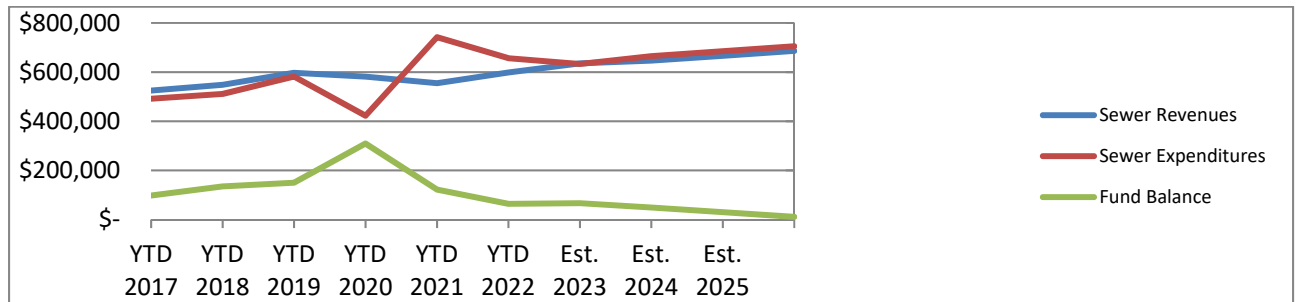
Year	YTD 2017	YTD 2018	YTD 2019	YTD 2020	YTD 2021	YTD 2022	Est. 2023	Est. 2024	Est. 2025
Revenues	\$755,417	\$812,614	\$788,394	\$738,195	\$763,977	\$758,006	\$753,649	\$768,722	\$784,096
Expenditures	739,657	760,796	782,647	605,066	715,027	724,402	730,810	781,967	844,524
Fund Balance	216,574	268,392	274,139	407,268	456,218	489,822	484,696	499,416	438,989

Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)

Water Fund Financial Summary: The Administration will develop future budgets to match revenues with expenditures so that a significant deficit spending situation does not occur. However, this approach will not provide the necessary funds to address general maintenance and operational issues which continue to increase based on the year of our waterlines and general inflationary operational costs. The City does not have reserve funds to address a significant waterline break(s) and therefore would require the City to issue debt service.

SEWER FUND

Yearly Revenue, Expenditures, and Fund Balance –Year to Date December 31, 2017 through December 31, 2025



Year	YTD 2017	YTD 2018	YTD 2019	YTD 2020	YTD 2021	YTD 2022	Est. 2023	Est. 2024	Est. 2025
Revenues	\$548,377	\$597,189	\$581,896	\$555,258	\$598,544	\$635,714	\$647,062	\$666,474	\$686,468
Expenditures	511,205	582,380	422,634	742,211	656,621	632,980	665,145	685,099	705,652
Fund Balance	135,244	150,053	309,315	122,362	64,285	67,019	48,936	30,311	11,126

Sewer Fund Financial Summary: Historically, 83% of all Sewer Fund expenditures are remitted to the City of Columbus for usage charges and clean river charges and 7% of expenditures represent salaries and benefits. Therefore, only 10% of expenditures relate for maintenance, operating supplies, and other general contract services. Based on the age of the City's sewer lines, this is not sufficient to address potential issues that may arise.

Sewer usage rates and Clean River Rates are set by the City of Columbus Division of Public Utilities upon conclusion of the Sewer and Water Advisory Board (SWAB) and historically have average 3%-6% and therefore City of Groveport expenses must be matched to any increase in estimated receipts. Projected expenditures must be capped in order to avoid a negative fund balance for future years. Capping sewer fund expenditures will divert these costs to other funds, such as the General Fund, Street Maintenance and Repair Fund, or potentially Water and Stormwater Funds.

Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)

STORMWATER FUND

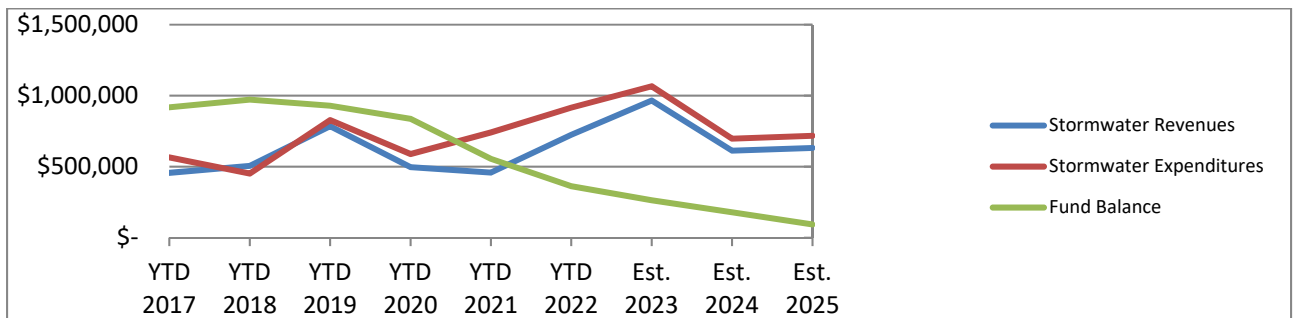
Codified Ordinance Chapter 939 outlines the Stormwater Utility Rates, Extensions and Fees that shall be charged to residents and commercial businesses within the corporate limits. Chapter 939.17 *Customer Service Charge* outlines the calculation of Stormwater fees to be charged as follows:

(1) All properties having impervious area within the City of Groveport will be assigned an Equivalent Residential Unit (ERU) or a whole multiple thereof, with all properties having impervious area receiving at least one (1) ERU, or (2) Class R Properties will be assigned one ERU. A flat rate will apply to all Single-Family and two-family duplex properties, or, (3) Class C Properties will be assigned an ERU whole multiple based upon the properties individual measured impervious area (in square feet) divided by 2760 square feet (1 ERU). This division will be calculated to the first decimal place and rounded to the nearest whole ERU according to mathematical convention, and (4) The charge as prescribed in the rate schedule is as follows: \$2.00 per month per Equivalent Residential Unit (ERU) based on twelve (12) months per year.

Ordinance 12-022 passed May 29, 2012 established the cost per ERU. Residential households will pay \$24 per year while commercial businesses vary based on the established ERU's for the parcel.

The following table represents Central Ohio Stormwater Utility Rates for comparison purposes:

Municipality	ERU Rate Per Month	ERU Rate Per Month Per 2,000 Square Foot
GROVEPORT	\$2.00	\$1.45
Delaware	2.50	1.80
Canal Winchester	3.00	2.00
Hilliard	3.00	3.00
Upper Arlington	3.75	3.75
Marysville	3.75	2.78
Reynoldsburg	4.00	3.16
Gahanna	4.33	2.83
Pickerington	4.50	3.56
Columbus	4.65	4.65
Newark	6.80	5.23
Lancaster	7.64	5.88



Year	YTD 2017	YTD 2018	YTD 2019	YTD 2020	YTD 2021	YTD 2022	Est. 2023	Est. 2024	Est. 2025
Revenues	\$505,571	\$785,057	\$496,351	\$458,351	\$723,741	\$966,129	\$612,927	\$631,315	\$650,254
Expenditures	451,422	827,804	588,603	740,815	915,857	1,066,232	696,774	717,677	739,208
Fund Balance	972,402	929,655	837,367	554,903	362,787	262,684	178,837	92,475	3,521

Individual Fund Projected Revenues, Expenditures and Fund Balances – (Continued)

Stormwater Fund Financial Summary: Fund balance has decreased significantly since 2017 which is attributed to the allocation of salaries and benefits for public works employees to this fund as a percentage of their job responsibilities relate to stormwater management and maintenance. Furthermore, additional costs are appropriately recorded in the fund contrary to the street fund as noted prior to 2019. A strong consideration should be given to increasing the fee per Equivalent Residential Unit as projected fund balances will not sustain the overall cost increases in future years. If no action is taken, this will impact costs assigned to the Street Fund further increasing the operating transfer from the General Fund to the Street Maintenance and Repair Fund to cover these re-assigned costs.

Debt Service

The City's change in outstanding debt obligations at December 31, 2023 consist of the following:

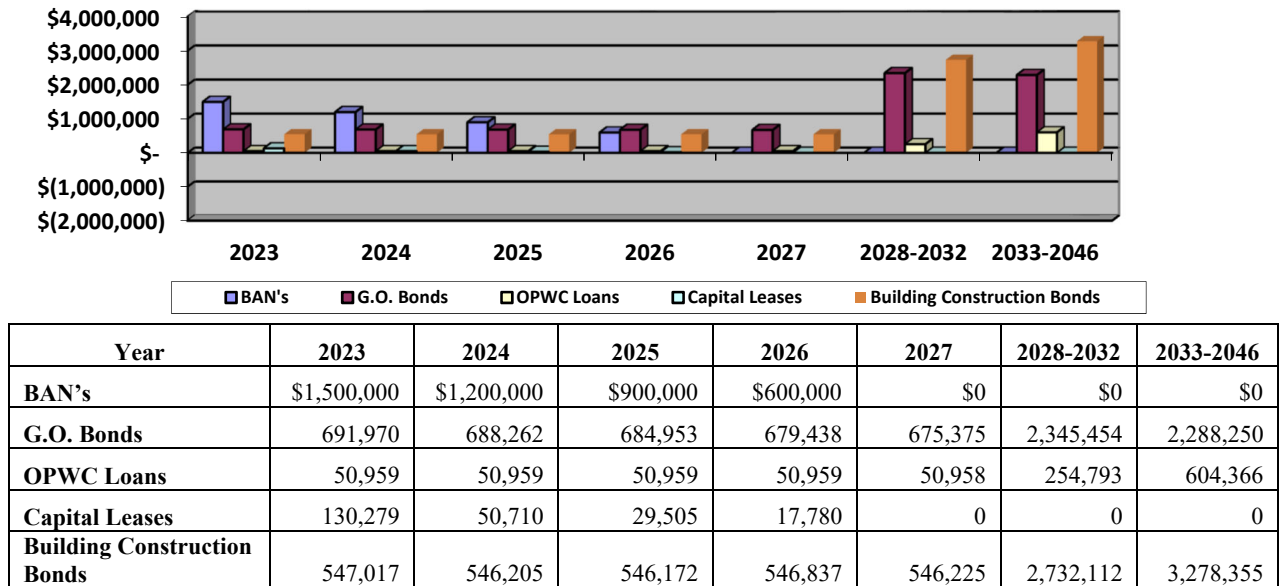
	Principal Balance 12/31/22	Additions	Reductions	Principal Balance 12/31/23	Principal Due in 2024
Total Outstanding Debt					
General Obligation Bonds, Series 2020 (A)	\$ 1,909,300	\$ -	\$ (260,900)	\$ 1,648,400	\$ 267,000
General Obligation Bonds, Series 2013 (A)	1,255,000	-	(100,000)	1,155,000	100,000
OPWC Loan Payable - S. Hamilton Road (A)	44,356	-	(3,059)	41,297	3,059
OPWC Loan Payable - Spiegel Drive (A)	100,906	-	(5,936)	94,970	5,936
OPWC Loan Payable - Hendron Road (B)	883,440	-	(37,593)	845,847	37,593
OPWC Loan Payable - West Bixby Road (B)	85,250	-	(4,371)	80,879	4,371
Capital Lease Obligations (C)	157,019	11,735.00	(113,325)	55,429	43,694
General Obligation Bonds, Series 2020, Tax Exempt (A)	3,508,000	-	(182,000)	3,326,000	186,000
General Obligation Bonds, Series 2020, Taxable (F)	3,521,000	-	(174,000)	3,347,000	179,000
General Obligation Bonds, Series 2020 (E)	436,700	-	(59,100)	377,600	60,000
OPWC Loan Payable - West Bixby Road, Ph. II (B)	430,215	-	-	430,215	-
General Obligation Bond Anticipation Notes, 2021	1,800,000	1,500,000	(1,800,000)	1,500,000	1,200,000
General Obligation Bonds, Series 2014 (E)	2,590,000	-	(80,000)	2,510,000	80,000
Total Outstanding Debt	<u>\$ 16,721,186</u>	<u>\$ 1,511,735</u>	<u>\$ (2,820,284)</u>	<u>\$ 15,412,637</u>	<u>\$ 2,166,653</u>

Principal and interest are retired from the following funds:

- (A) – Debt Service Fund
- (B) – Debt Service, Water Capital and Storm Water Funds
- (C) – General, Street, Recreation, Golf Course, and Transportation Services Funds
- (D,E)- Water and Water Capital Fund
- (F) – General Fund

Debt Service (Continued)

A summary of future principal and interest payments through 2046 is as follows:



Please review the forecast and related assumptions we look forward to any questions you may have.

Jason Carr, CPA
Finance Director