Capital Deployment & Performance Management Update

Deploying capital resources requires a multi-step process that will usually take more than one fiscal year.

Department staff balance moving forward multiple projects at the same time and utilizing many different funding sources from multiple fiscal years, including the CSR source.

Capital Deployment & Performance Management Update

In public projects frequently the pace of deployment and project cost is balanced against a competing framework of public policy goals:

- Open and competitive procurement processes
- Minority-owned and women-owned firm inclusion
- Encouragement or support of union participation
- Encouragement or support of local business or workers
- Prevailing wage requirements
- Leveraging local funding with state or federal grants

Over the last two years, the Administration's focus has been to improve from the historic pace of capital deployment while also fulfilling the policy objectives of the City's elected officials.

Capital Deployment & Performance Management Update

Improvements to Date:

- Budget Process Enhancement
- Performance Management
- Procurement Reform
- Department Staffing Changes
- Street Rehab Program Approach

Continued Challenges and Limits:

- Increasing construction costs
- Contractor capacity
- Contractor interest
- Staff capacity
- Federal funding delays

Capital Deployment & Performance Management Update

Updated Performance Management Project Deployment Goals

Street Rehabilitation

By end of Year 1: 100% Under Contract and 25% Spent

By end of Year 2: 100% Spent

Street Repair and Maintenance (i.e. Major Potholes)

By end of Year 1: 50% Spent

By end of Year 2: 100% Spent

Facilities and Other Transportation Infrastructure (Bridges, Signals, etc.)

By end of Year 1: 50% Under contract

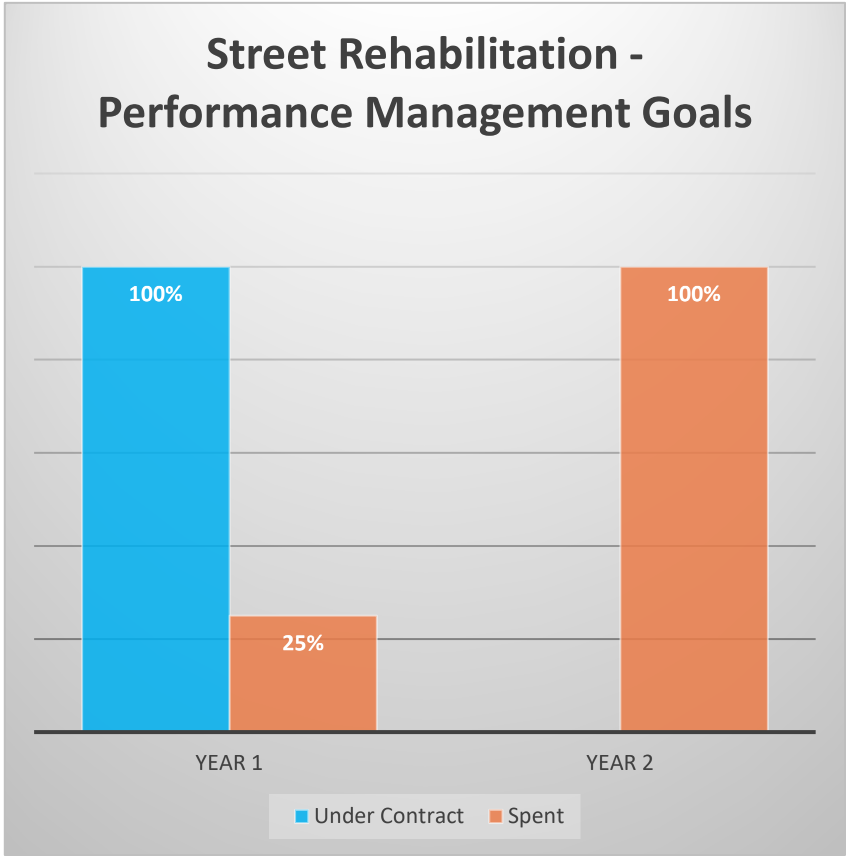
By end of Year 2: 100% Under contract and 50% Spent

By end of Year 3: 90% Spent

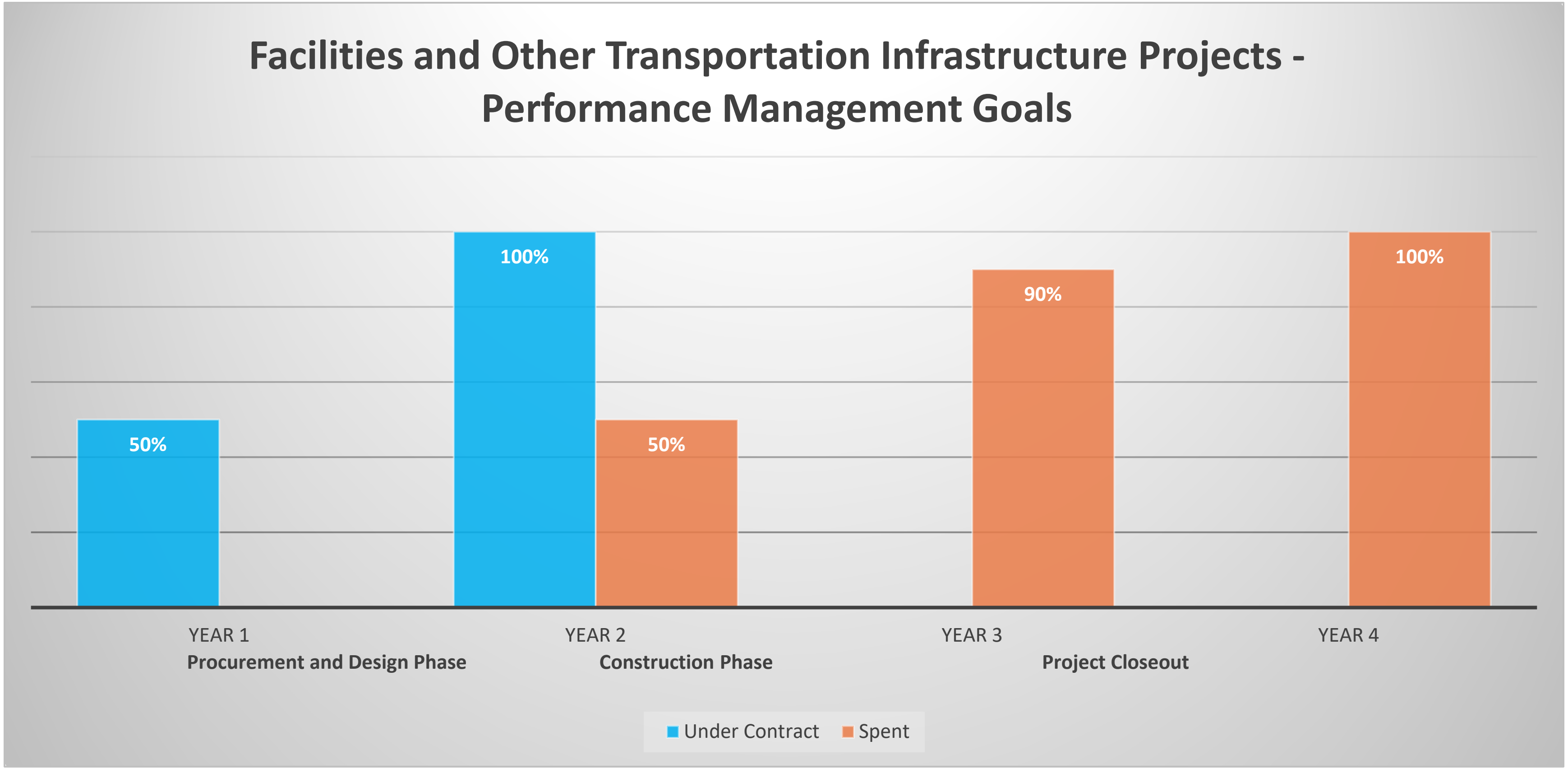
By end of Year 4: 100% Spent

The City Manager's recommended department allocations of capital resources for FY28 will be informed by status of deployment of prior years resources.

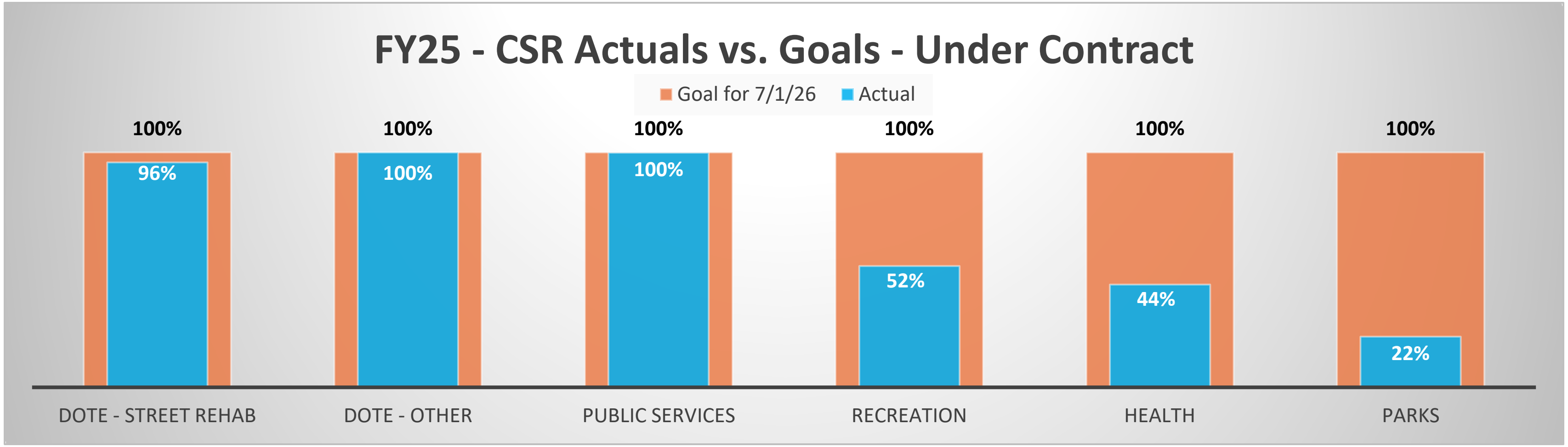
Capital Deployment & Performance Management Update

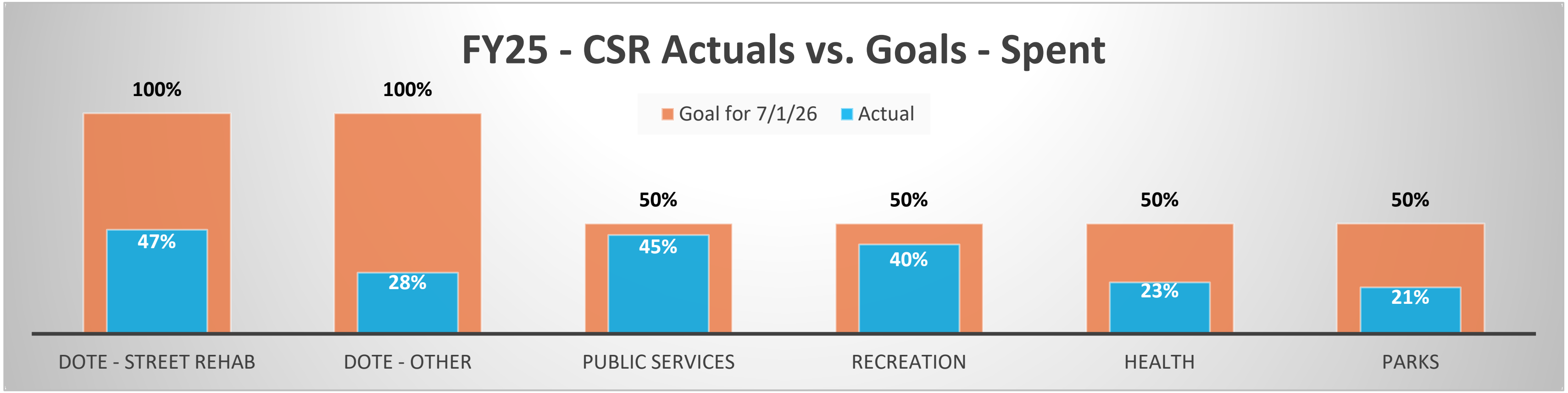


Capital Deployment & Performance Management Update



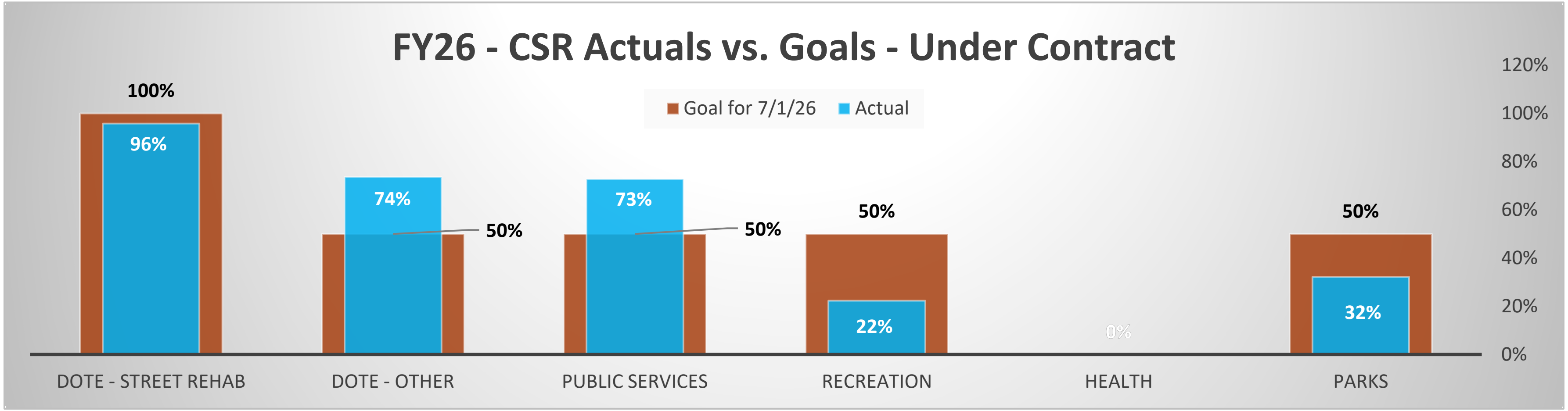
Capital Deployment & Performance Management Update

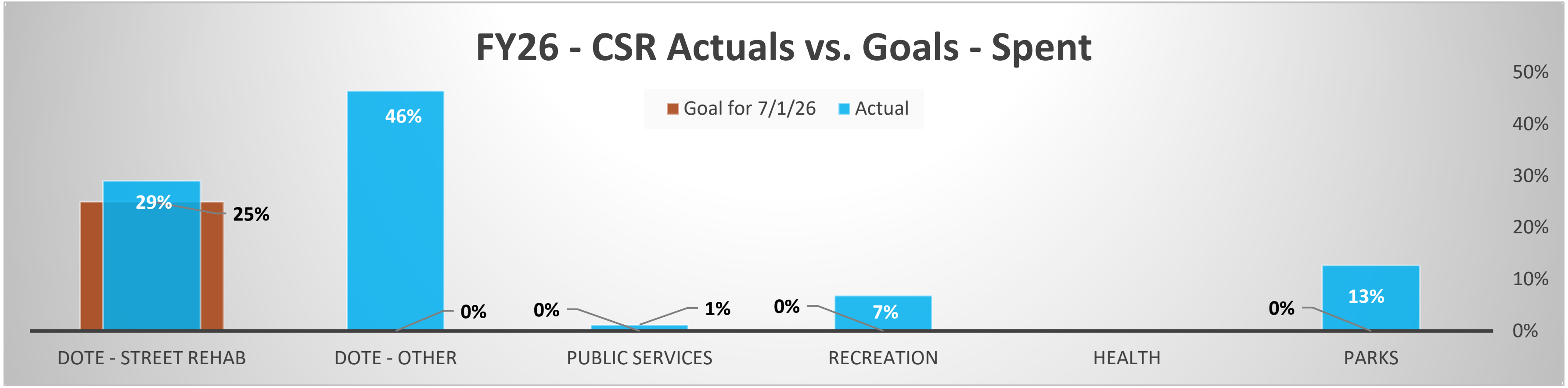




Data as of 9-14-26

Capital Deployment & Performance Management Update



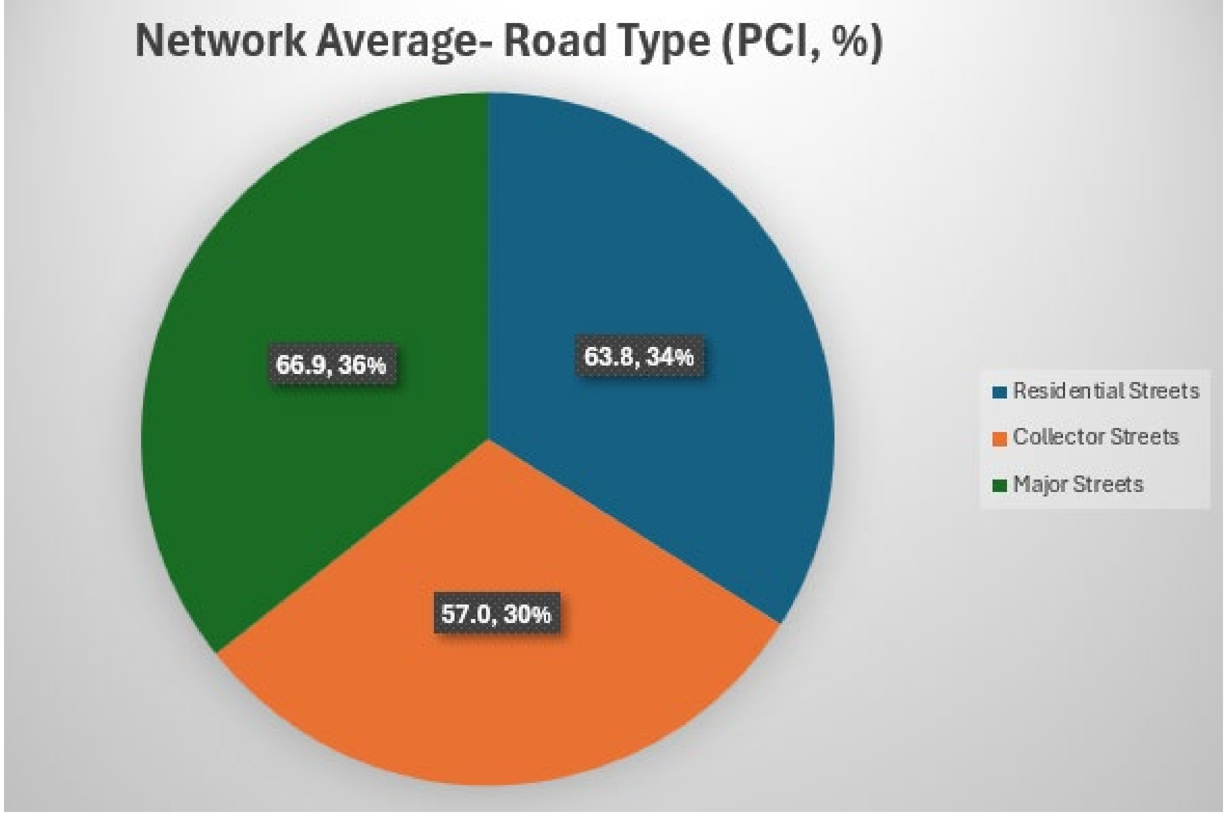


Data as of 9-14-26

Street Rehabilitation Program

The Department of Transportation & Engineering (DOTE) manages 2,935 lane miles of streets in the City of Cincinnati.

DOTE's focus is its annual street rehabilitation program, which is budgeted at approximately $25 million annually. DOTE gets additional funding from grants.



Street Rehabilitation Program

Street Rehabilitation

Typically applied to streets rated **Poor** or worse (PCI below 50) in the Pavement Condition Report.

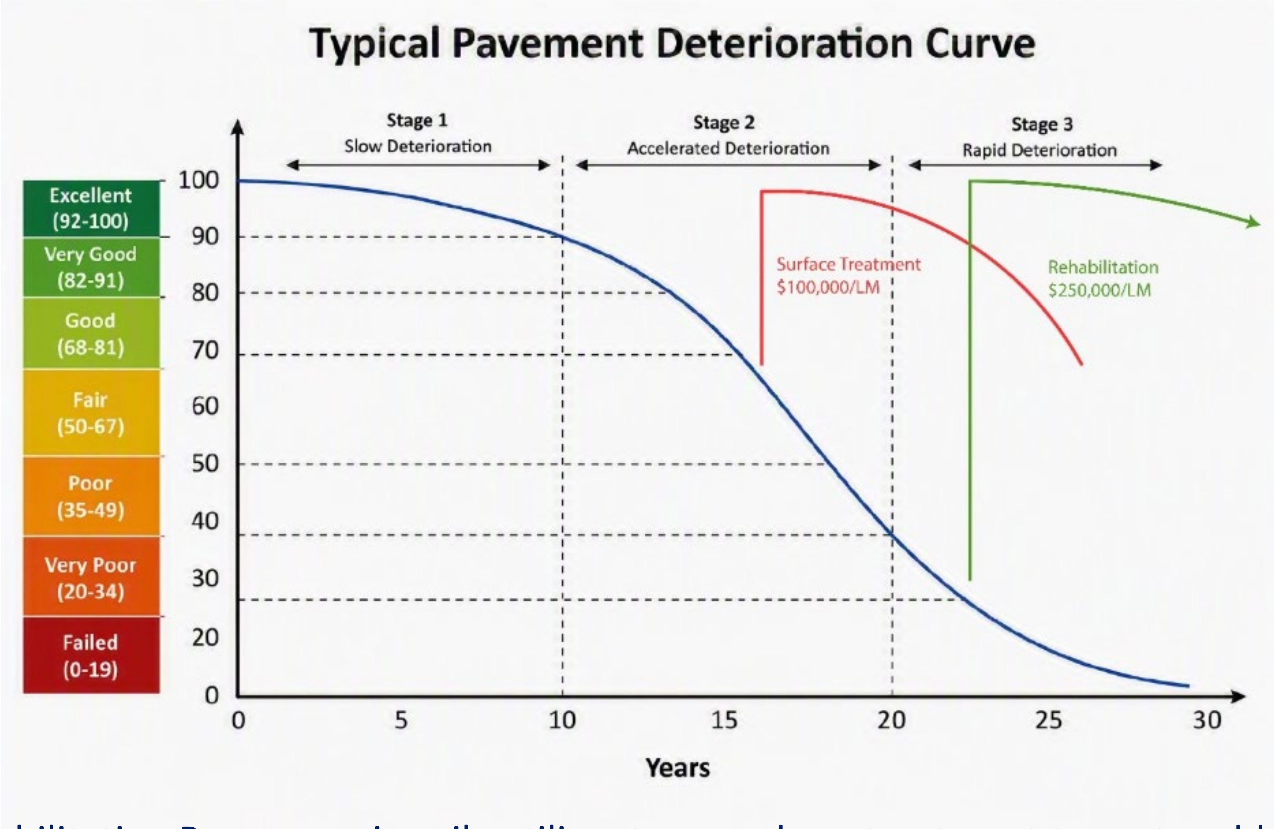
- Includes full-depth and partial-depth pavement repairs, as needed.
- Rehabilitation consists of milling and replacing the top 1 to 1.5 inches of pavement (intermediate and surface courses).
- Restores the Pavement Condition Index (PCI) to approximately 100.

Surface Treatment

Typically applied to streets rated **Fair** (PCI 50-67) in the Pavement Condition Report.

- Includes full-depth and partial-depth pavement repairs, as needed.
- Microsurfacing is applied to preserve and extend pavement life.
- Restores PCI to approximately 95-100.
- While cost-effective, pavement condition deteriorates more quickly than with Street Rehabilitation.

Street Rehabilitation Program

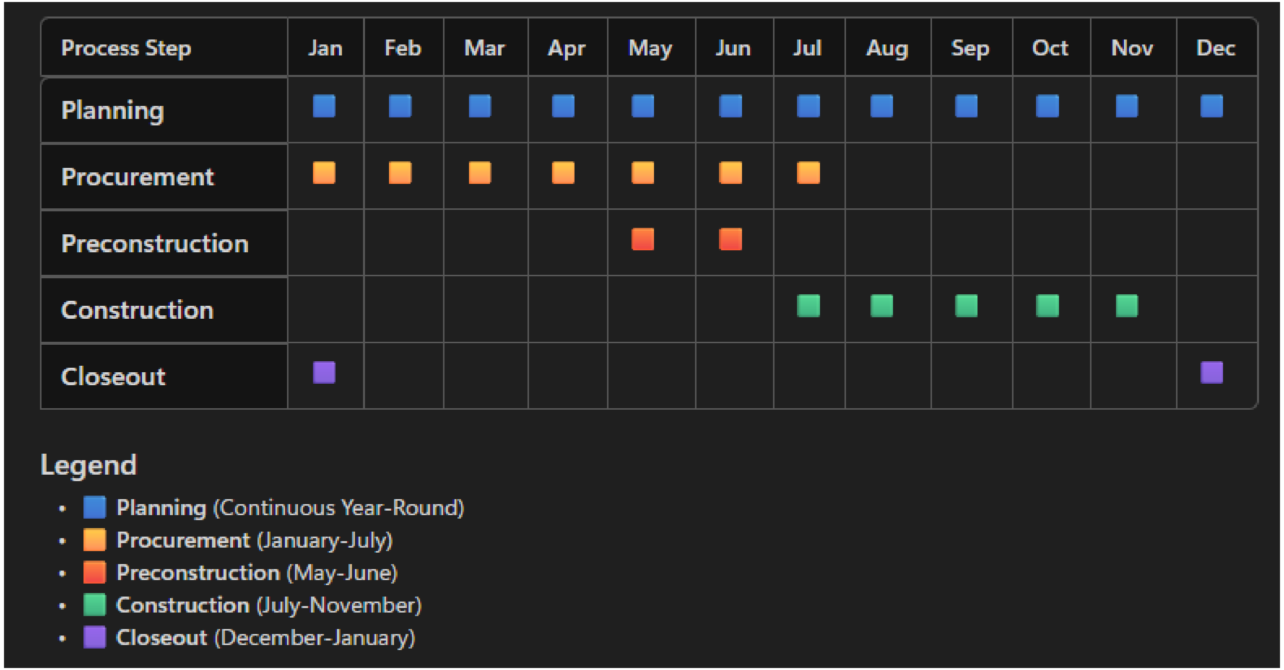


The Street Rehabilitation Program primarily utilizes two roadway treatment types to address pavement decline at different points along the deterioration curve.

Project Deployment Cycle

The street rehabilitation program is a continuous annual process. Planning occurs year-round, procurement begins early in the calendar year, preconstruction activities occur immediately before paving, construction is concentrated during the July-November paving season, and final verification and reporting occur during December and January.

This schedule ensures that projects are fully planned, competitively bid, efficiently delivered during the construction season, and accurately documented before program closeout.



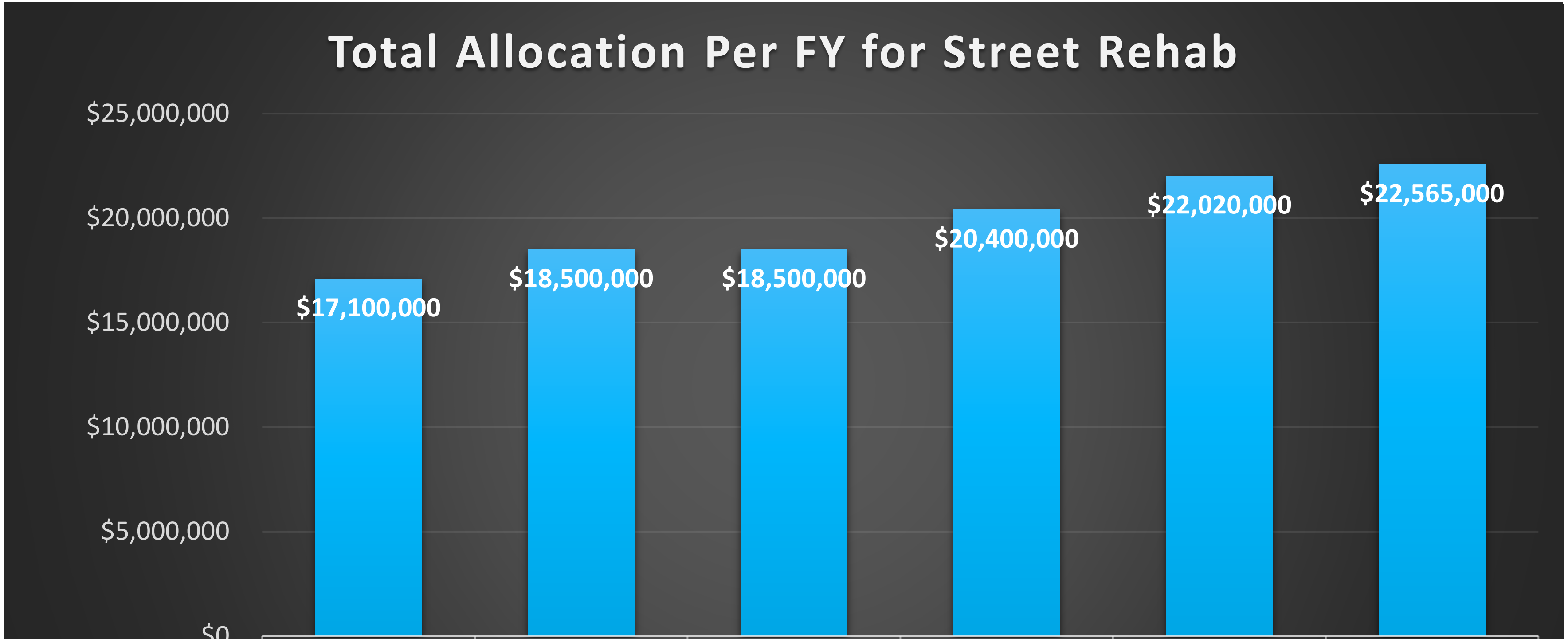
Deployment Timeframe

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Calendar Year	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Construction Season				■	■	■	■	■	■	■	■	
Fiscal Year (FY27)						Start	FY27	FY27	FY27	FY27	FY27	FY27

Street rehabilitation projects are planned and funded on a fiscal-year basis, but construction is constrained by the Ohio paving season. As a result, projects funded in one fiscal year are delivered across multiple calendar years, with the majority of field work occurring between April and November.

Funding, contracting, and construction activities do not align neatly within a single calendar year.

Street Rehabilitation Program: Annual Funding



	FY23 (Actual)	FY24 (Actual)	FY25 (Actual)	FY26 (Actual)	FY27 (Actual)	FY28 (Projected)
Total Allocation	$17,100,000	$18,500,000	$18,500,000	$20,400,000	$22,020,000	$22,565,000

Asset Condition (PCI History and Trajectory)

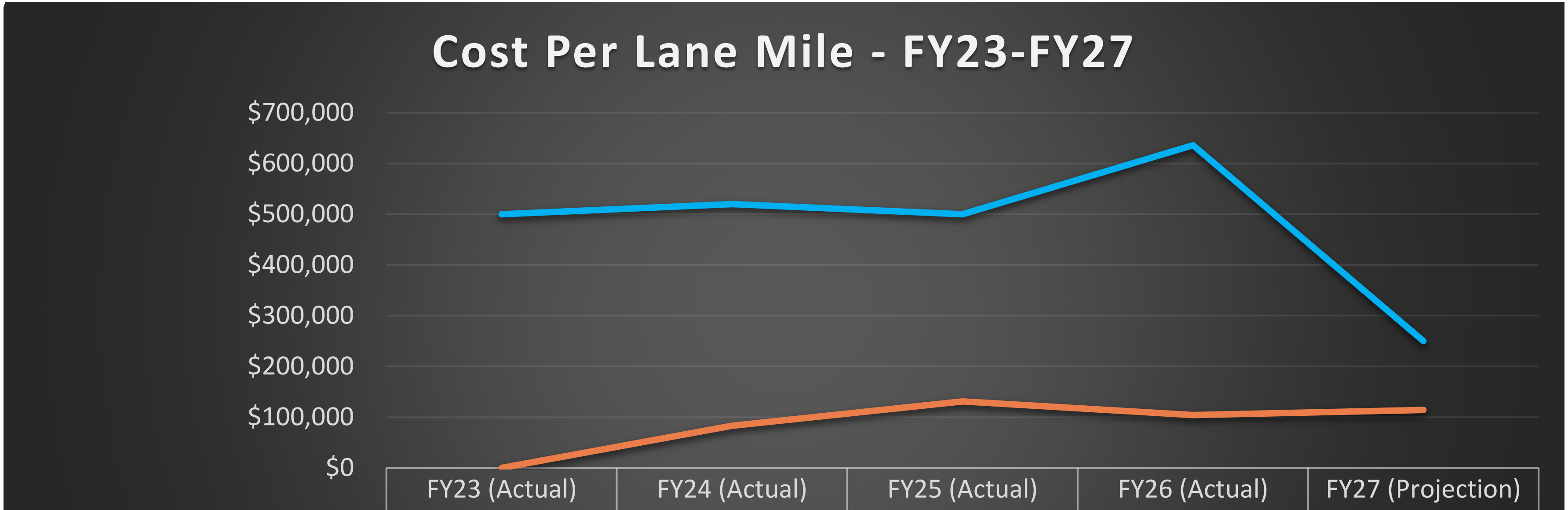
The work being completed now is expected to stabilize the network condition index for CY 26-27. After 2018 with the CAP budget decline, the network condition index began to trend downward according to the industry standard rate.

Program Improvements

The Street Rehabilitation Program has undergone several recent changes to better align with the goals of the **Cincy on Track** initiative:

- **Project Specifications:** Program scope has been refined to prioritize pavement restoration while reducing ancillary work, such as concrete curb replacement that increased cost and complexity of jobs.
- **Job Scope and Procurement Approach:** Smaller and simpler job scopes have allowed for additional companies to bid, increasing competition and lowering costs.
- **Utility Restoration Requirements:** Updated street utility restoration requirements to avoid increase expense on general capital allocation.
- **Development Partnerships:** Increased partnerships where possible to leverage ongoing development projects to improve street conditions in the proximity (ex. DECC Renovation).
- **Program Cycle:** DOTE has moved up the timing of its program cycle to ensure that procurement and contracting are happening well ahead of the construction season.

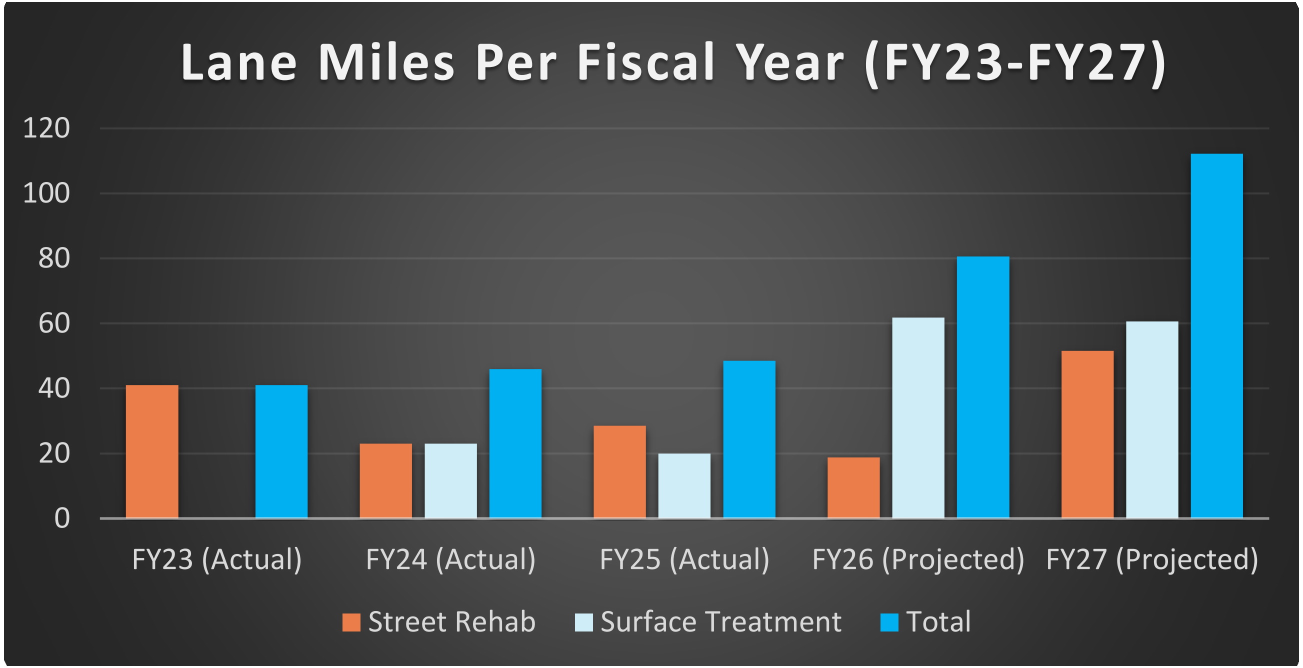
Cost Per Lane Mile History



	FY23 (Actual)	FY24 (Actual)	FY25 (Actual)	FY26 (Actual)	FY27 (Projection)
Street Rehab $/LM	$500,000	$520,000	$500,000	$635,900	$250,000
Surface Treatment $/LM	0	$83,000	$131,000	$104,000	$114,400

Program changes helped achieve a projected 60% reduction in cost per lane mile for street rehabilitation in FY27—cutting the cost per lane mile more than in half.

FY23-FY27 Program Overview



Notes:

- FY23-FY25 fiscal year lane mile totals include some funding from other fiscal years.

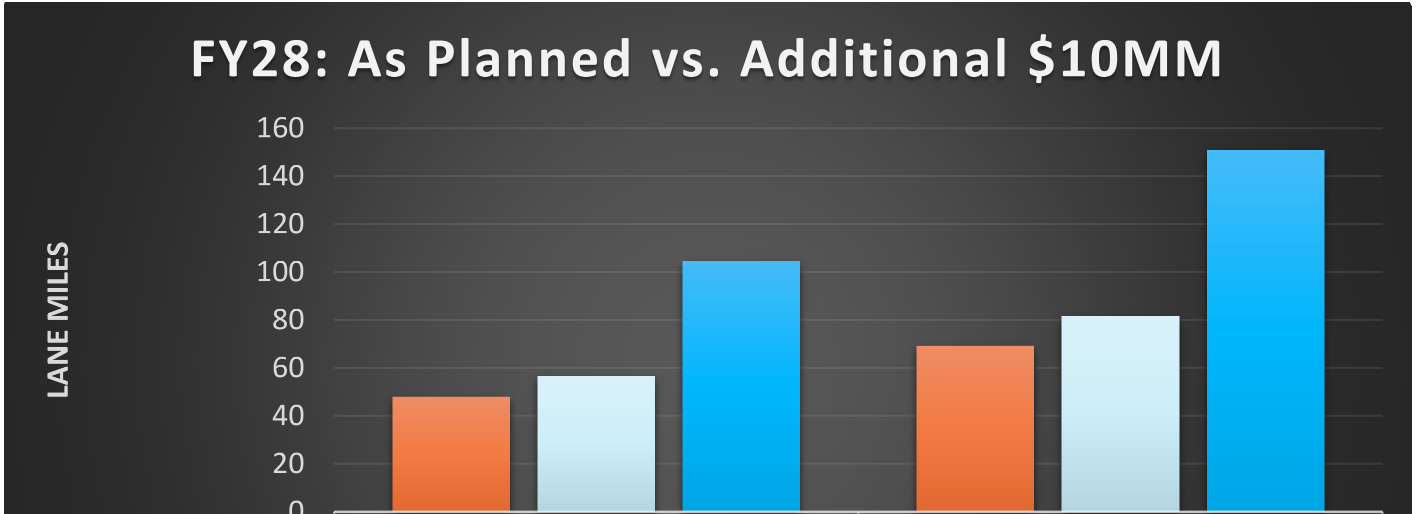
FY26-FY27 Projection Assumptions:

- 10% of total allocation for staff expense.
- Of total allocation 65% committed to street rehabilitation and 35% committed to surface treatment.

Increased funding from the CSR Trust has allowed the total lane miles to steadily increase over the last few fiscal years.

The reduced cost per lane mile in FY27 is expected to allow the City to achieve a combined 112 miles, for the first time in many years exceeding the Smale Commission goal of addressing 100 lane miles per year.

FY28 Program Projection



	FY28 (Projected)	FY28 + 10MM (Projected)
Street Rehab	48	69
Surface Treatment	56	82
Total	104	151

Projection Assumptions:
- 10% expense growth from FY27 pricing.
- 10% of total allocation for staff expense
- Of total allocation 65% committed to street rehabilitation and 35% committed to surface treatment.

An additional $10MM investment in the Street Rehabilitation program would increase the projected lane miles by 46—a projected 21 additional lane miles for street rehabilitation and an additional 25 miles of surface treatment. **This would fund a projected total of 151 lane miles and an increase of 44% of lane miles currently projected for planned FY28 resources.**