

FAIRFIELD

OHIO

POPULAR ANNUAL FINANCIAL REPORT

For the year ended December 31, 2023



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CITY COUNCIL



Seated, left to right: **Terry Senger** (3rd Ward), **Tim Meyers** (At-Large), **Mitch Rhodus** (Mayor),
Adam Kraft (4th Ward)

Standing, left to right: **Dale Paullus** (2nd Ward), **Leslie Besl** (1st Ward), **Gwen Brill** (At-Large), **Matt Davidson** (At-Large)

CITY MANAGER

City Manager Scott W. Timmer was appointed by City Council on February 7, 2022, and serves as the Chief Executive Officer and head of the administrative branch of the City. The Manager is responsible for the proper administration of all the affairs of the City, the supervision of all City departments, preparation of the annual operating budget and oversight of financial condition, and the enforcement of all laws and Ordinances within the City.

MISSION STATEMENT

The mission of the City of Fairfield is to provide opportunities for all to experience an exceptional quality of life in a safe, well-balanced, and attractive environment by creating progressive partnerships to build our future.



LETTER FROM THE DIRECTOR OF FINANCE

The Department of Finance is proud to present the City of Fairfield's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2023. The PAFR summarizes the City's financial activities from a more detailed report called the Annual Comprehensive Financial Report, which contains financial statements prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by Plattenburg & Associates, an independent auditing firm.

The 2023 Annual Comprehensive Financial Report received an unmodified (clean) opinion, and the PAFR uses that same information presented in a more reader-friendly format. The City of Fairfield's 2023 Annual Comprehensive Financial Report is available at the City Building in the Finance Office or on the City of Fairfield website at the following location: [2023 ACFR](#)

The City of Fairfield's PAFR is unaudited and presented on a GAAP basis unless otherwise noted. The purpose of the PAFR is to provide summarized financial data as a means of increasing awareness and knowledge of the operations of the City. We believe our citizens deserve transparency when it comes to their tax dollars. This report is designed to help you gain a better understanding of the City's resources and how we put your tax dollars to use.

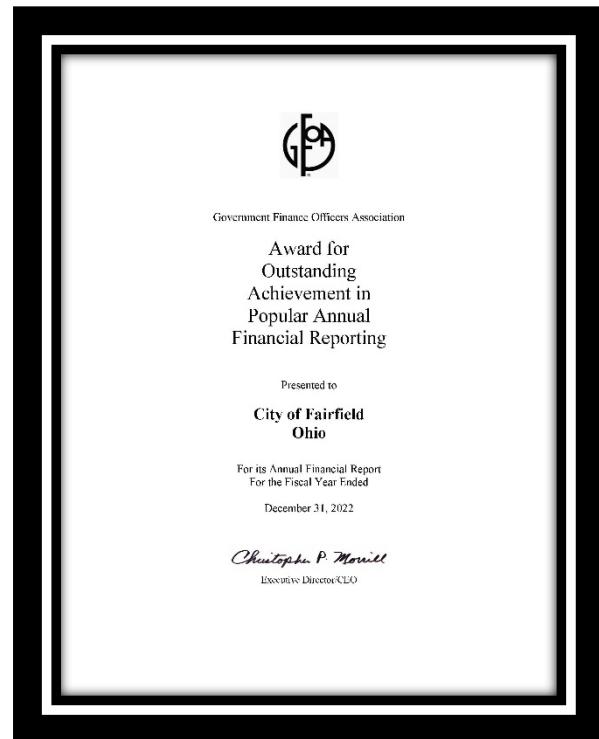


Christopher J. Hacker
Director of Finance

AWARDS

The City received the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting for our PAFR for the fiscal year ended December 31, 2022, as well as a Certificate of Achievement for Excellence in Financial Reporting for our Annual Comprehensive Financial Report for the same fiscal year.

Additionally, GFOA presented a Distinguished Budget Presentation Award to City of Fairfield for its Annual Budget for the fiscal year beginning January 1, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, a financial plan, an operations guide, and a communications device. This award is valid for a period of one year only.



FAIRFIELD AT A GLANCE

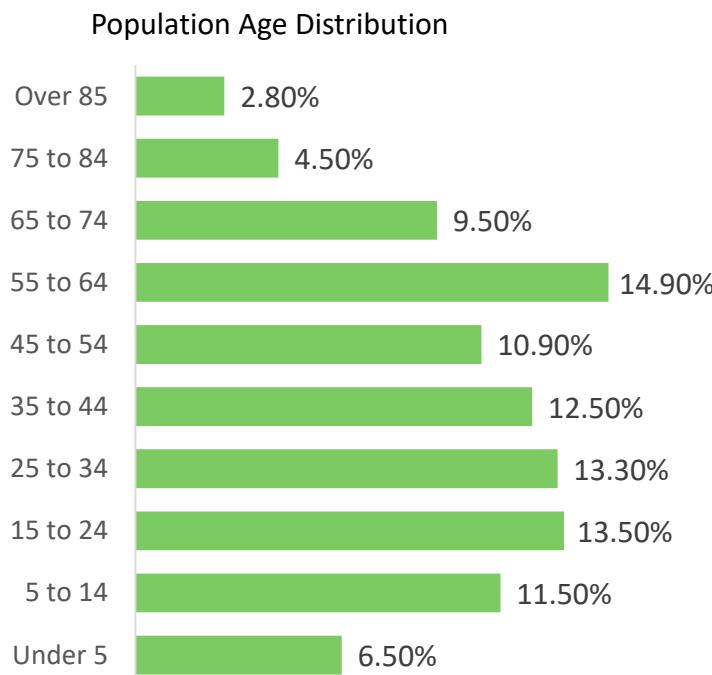
2020 Population:

44,907

↑ 5.6% since 2010



2022 Population is estimated at 44,602



Company	Employees
Cincinnati Financial Corporation	3,300
Koch Foods	1,600
Mercy Health	1,350
Fairfield City School District	1,000
Pacific Manufacturing	900
Express Scripts	750
Martin Bower	450
Takumi Stamping	400
Quality Gold	350
Veritiv Corporation	300

Income Level	Percentage
Less than \$10k	4.3%
\$10,000 to \$14,999	2.2%
\$15,000 to \$24,999	7.6%
\$25,000 to \$49,999	14.9%
\$50,000 to \$74,999	23.2%
\$75,000 to \$99,999	13.6%
\$100,000 to \$149,999	16.9%
\$150,000 to \$199,999	8.6%
\$200,000 or more	6.5%

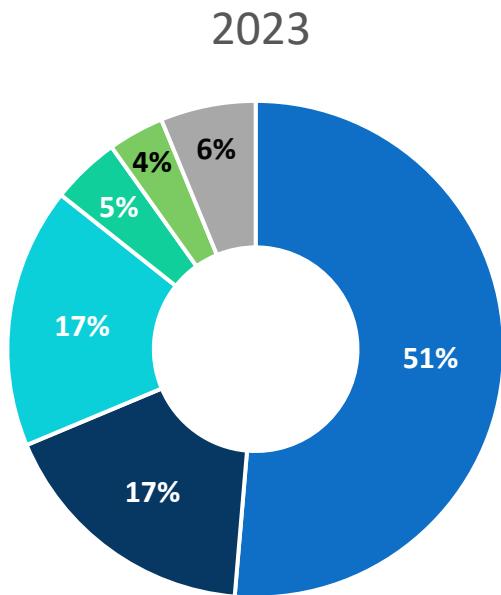
Housing Information:
Median Household Income: \$66,664
Owner-occupied rate: 63.4%
Median Value: \$196,600

Sources: United States Census Bureau and City of Fairfield Income Tax Division

WHERE THE MONEY COMES FROM

Revenues – Governmental Activities

The funding the City receives in order to provide services to its residents and business community comes from a variety of sources. The charts below summarize the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds from page 21 of the 2023 Annual Comprehensive Financial Report. The significance of income taxes is recognizable as it makes up 51% of governmental activities revenue in 2023. Maintaining a strong local tax base is critical for continued success.



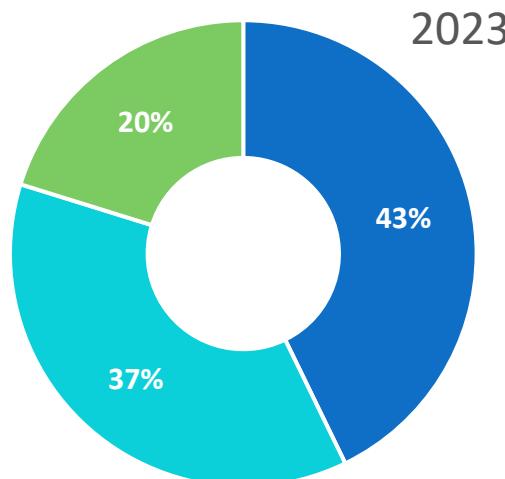
	2021	2022	2023
Income Taxes	\$35,712,137	\$38,843,151	\$40,041,093
Intergovernmental	\$7,094,239	\$9,328,126	\$13,524,843
Property Taxes	\$8,092,708	\$8,480,625	\$13,234,843
Charges for Services	\$2,809,802	\$3,216,346	\$3,493,016
Fines, Licenses & Permits	\$2,425,952	\$3,172,232	\$2,848,840
Other Revenue	\$841,764	\$766,417	\$4,837,178
Total	\$56,976,602	\$63,806,897	\$77,979,813

Much of the City's increased revenue in 2023 came from increased property taxes due to a fire levy that Fairfield voters approved in 2022. We also saw a \$3.5 million increase in investment earnings, which are included in Other Revenue above. Additionally, our intergovernmental revenue increased primarily due to a \$2.1 million grant from ODOT for the Route 4 Paving Project and \$884,000 in grants from FEMA for Assistance to Firefighters and Staffing for Adequate Fire and Emergency Response.

Revenues – Proprietary Funds

Proprietary Fund revenue represents revenues that arise from charges to customers who directly benefit from goods or services in the City of Fairfield. The charts below summarize the Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds from page 25 of the Annual Comprehensive Financial Report. Examples of Proprietary Fund charges for service are charges for water, sewer, and solid waste. Additionally, charges for service can include fees at the City's aquatic center and golf courses.

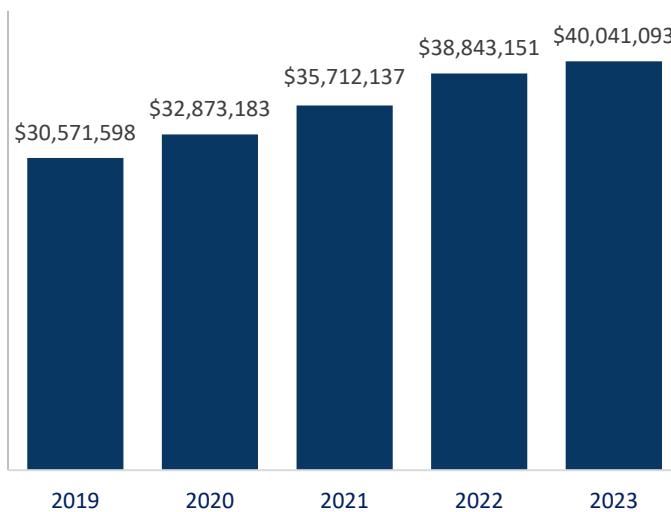
	2021	2022	2023
Water Utility	\$8,468,631	\$9,017,788	\$9,924,179
Sewer Utility	\$7,551,795	\$7,825,840	\$8,580,601
Other Enterprise	\$4,239,382	\$4,273,941	\$4,684,370
Total	\$20,259,808	\$21,117,569	\$23,189,150



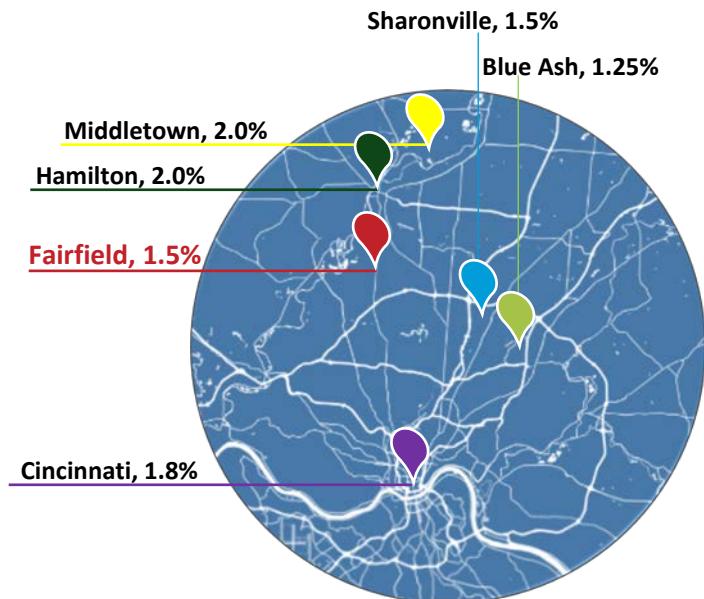
Income Taxes

Income taxes represent the largest source of revenue for the City, and were up 3% in 2023 compared to 2022. Income tax collections are comprised of three sources: taxes withheld from employees working in the City, taxes from individual residents, and taxes on net profits of businesses operating in the City. Revenue from withholding represents 66% of the City's total income tax revenue. The importance of this withholding revenue outlines the financial impact of nonresidential development in the City.

Income Tax Collections



Southwest Ohio Tax Rates

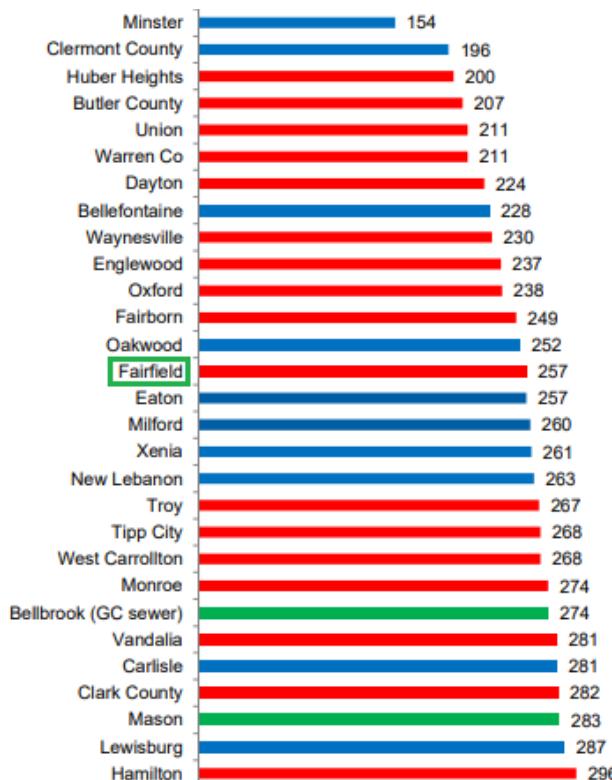


Charges for Services

In October 2020, Fairfield City Council approved utility rate adjustments for years 2021 through 2025. The Water Rate increase is 3.5% per year, and the Sewer Rate increase is 1.5% for 2021-2024 and 3% in 2025.

In the 2023 City of Piqua Water and Sewer Rate Survey, the City of Fairfield ranked 14th lowest out of 65 ranked communities for combined water and sewer cost. If you would like to view the City's Utility Rates, please visit our website here:

[Fairfield Utility Rates](#)



2023 ANNUAL RATE SURVEY COMBINED WATER & SEWER COST

Rates are based on 22,500 gallons or 3,000 cubic feet of water in a three month period. Rates are those in effect as of March 1, 2023.

HIGH: \$ 585.23

LOW: \$ 153.75

AVERAGE: \$ 315.74

MEDIAN: \$ 301.44

COMBINED **INCREASE OF 2.98%** FROM
2022 AVERAGE RATES

65 JURISDICTIONS w/ BOTH WATER
AND SEWER

RED BAR RATE INCREASE (36)
BLUE BAR RATE SAME (25)
GREEN BAR RATE DECREASE (5)

*Prepared by the City of Piqua
Utilities Department*

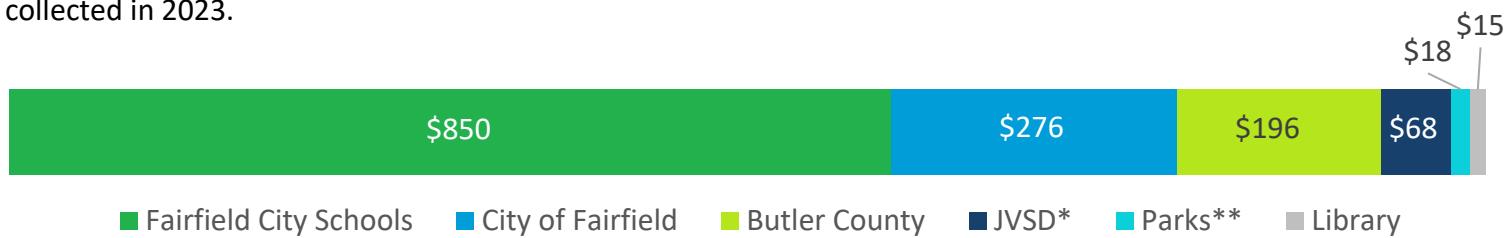
Image is truncated and only shows the 29 lowest average rates out of the 65 jurisdictions surveyed.

Property Taxes

Property tax is based on the amount charged per \$1,000 worth of taxable property value, also known as 'millage.' Amounts collected for levies, other than general operating levies, must be used for those specific purposes. The Butler County Treasurer's office collects the property taxes, and the County Auditor's office distributes those revenues to the appropriate jurisdiction.

The assessed value of real property (including public utility real property) is 35% of estimated true value. Personal property tax is assessed on all tangible personal property of public utilities in Ohio. The assessed value of public utility personal property ranges from 24% for taxable production equipment of energy companies to 88% for property of heating and pipeline companies.

Inside millage is levied without a vote and, per the State of Ohio, cannot exceed 10 mills. Currently, the City of Fairfield's inside millage is 1.29. Outside millage can only be levied with a vote. On May 3, 2022, a new fire levy was passed, increasing the City's outside millage from 7.15 to 9.25, which took effect for tax year 2022, first collected in 2023.

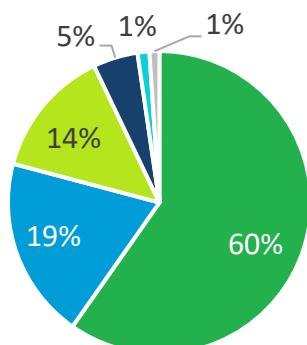


*Butler County Joint Vocational School District | **Metro Parks of Butler County

Above is an example of the allocation of property tax amounts based on a \$100,000 home in the Fairfield taxing district for Tax Year 2023 (Collection Year 2024)

Property Valuation / 1,000 x Residential Tax Rate x .35 = Estimated Property Tax

$\$100,000/1,000 \times 40.62375 \times .35 = \$1,422$



Source: Butler County Auditor

Did you know?

Voters in Fairfield approved a new fire levy in 2022, which has allowed the City of Fairfield Fire Department to transition away from relying heavily on part-time employees to having all firefighters as full-time employees. This will ultimately cut down on hiring and training costs, while increasing employee retention. A full-time force will decrease response times, increase fire suppression capability, and provide residents and businesses with a much more experienced first responder team.

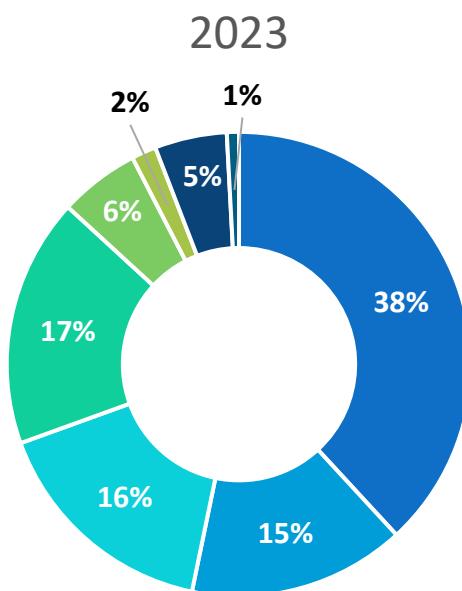


WHERE THE MONEY GOES

Expenditures – Governmental Activities

The City's governmental activities account for most of the basic services provided by the City's various departments. The City's expenditures are reported at the function level, which describes the primary purpose of the expenditures. Within each function, the expenditures of one or more City departments are reported.

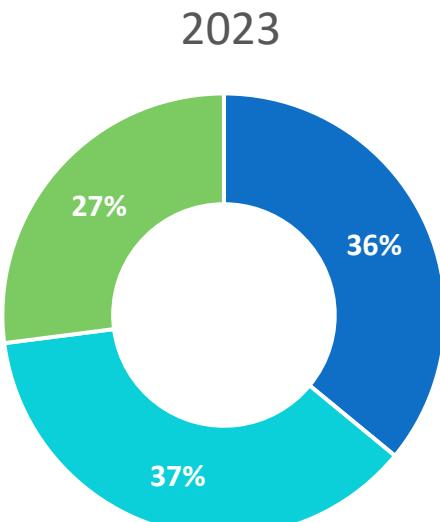
	2021	2022	2023
Public Safety	\$22,328,294	\$23,666,013	\$25,149,615
General Government	\$7,850,436	\$9,102,262	\$9,963,876
Transportation and Street Repair	\$8,171,442	\$9,514,151	\$10,700,462
Capital Outlay	\$2,646,867	\$4,831,458	\$11,436,683
Leisure Time Activities	\$2,764,872	\$3,251,186	\$3,688,034
Debt Service	\$2,468,264	\$998,696	\$1,132,462
Community Development & Public Health	\$1,465,862	\$1,750,725	\$3,313,104
Basic Utility Service	\$488,930	\$362,300	\$555,039
	\$48,184,967	\$53,476,791	\$65,939,275



Much of the increase in expenditures in 2023 was due to inflation. The City also saw significant increases in Capital Outlay expenditures, which were budgeted for in the 2022-2026 Capital Improvement Plan. Large capital outlay expenditures include \$3.2 million for the Route 4 Paving Project, \$1.6 million in automotive equipment, including 11 new Police fleet vehicles, and \$600,000 in upgrades to the Public Works building.

Expenses – Proprietary Funds

Proprietary Fund expenses consist of those costs associated with operating the individual enterprises. The City of Fairfield owns and operates its own Water and Sewer Utility. Residents who use the services are billed for their usage. Their bills help to recoup the cost of running the utility enterprise. Additionally, the City collects for solid waste charges and operates its own aquatic center and two golf courses.



	2021	2022	2023
Water Utility	\$7,153,879	\$8,866,083	\$6,749,742
Sewer Utility	\$6,700,610	\$8,646,616	\$6,944,965
Other Enterprise Funds	\$4,940,888	\$4,212,125	\$5,072,953
	\$18,795,377	\$21,724,824	\$18,767,660

A City-wide water meter replacement program in 2022 led to increased spending in both the Water and Sewer Utility funds. Spending decreased in 2023 due to the completion of the project.

GENERAL FUND ANALYSIS

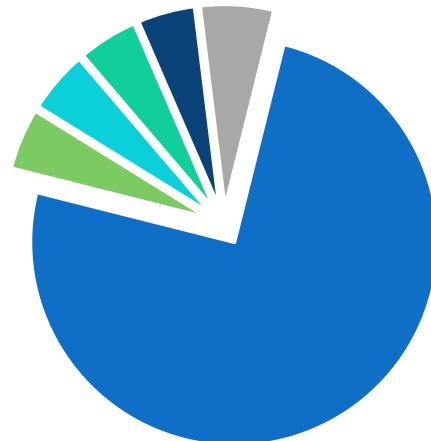
The General Fund is the City's primary operating fund. It accounts for the majority of all financial activity of the City. The fund pays almost all the personnel and day-to-day operating expenditures with the exception to those relating to Streets, Public Utilities, Fire, and some Recreation Activities (Golf and Aquatic). In 2023, nearly 80% of the City's General Fund revenue was derived from taxes, including Income Tax and Property Tax. Additionally, nearly 90% of the City's General Fund expenditures are in three categories: General Government, Leisure Time Activities, and Public Safety. Public Safety includes the City's Police costs. The costs of the City's Fire Department are paid out of the Fire Levy Fund, which is funded primarily through the City's Property Tax Levy. The numbers for the charts below are found in the City's Statement of Revenues, Expenditures, and Changes in Fund Balance on page 21 of the Annual Comprehensive Financial Report.

General Fund Revenues by Category

	2021	2022	2023	% Change
Income Taxes	\$28,543,807	\$31,005,252	\$31,951,703	3.05%
Property & Other Taxes	\$1,768,725	\$1,979,134	\$2,081,556	5.18%
Fines, Licenses & Permits	\$1,819,987	\$2,422,622	\$2,104,255	-13.14%
Intergovernmental	\$1,571,338	\$2,371,728	\$2,013,542	-15.10%
Charges for Services	\$1,680,262	\$1,862,668	\$1,940,919	4.20%
Other Revenues	\$708,888	\$613,267	\$2,486,041	305.38%
	\$36,093,007	\$40,254,671	\$42,578,016	5.77%

2023 Revenues by Category

Income Taxes	75.04%
Property & Other Taxes	4.89%
Fines, Licences, Permits	4.94%
Intergovernmental	4.73%
Charges for Services	4.56%
Other Revenues	5.84%

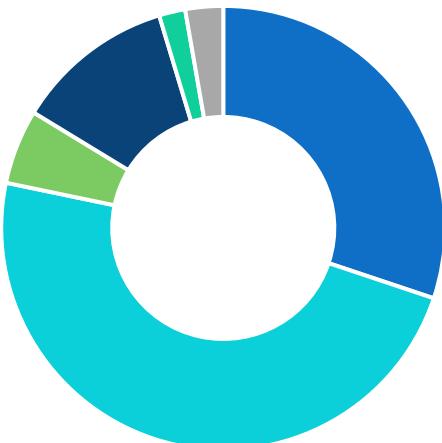


General Fund Expenditures by Category

	2021	2022	2023	% Change
General Government	\$7,273,738	\$8,248,919	\$8,759,638	6.19%
Public Safety	\$13,031,314	\$13,810,123	\$13,991,001	1.31%
Community Development	\$1,443,679	\$1,730,355	\$1,580,678	-8.65%
Leisure Time Activities	\$2,659,881	\$3,251,186	\$3,382,280	4.03%
Basic Utility Service	\$488,930	\$362,300	\$555,039	53.20%
Other	\$78,213	\$57,868	\$799,999	1282.45%
	\$24,975,755	\$27,460,751	\$29,068,635	5.86%

2023 Expenditures by Category

General Government	30.13%
Public Safety	48.13%
Community Development	5.44%
Leisure Time Activities	11.64%
Basic Utility Service	1.91%
Other	2.75%



Did you know?

80% of the income tax collected goes into the City's general fund. 10% goes into the City's Street Improvement Fund. The remaining 10% goes to the Capital Improvement Fund, where it is used in the acquisition and construction of assets with a useful life of five years or more.

MAJOR INITIATIVES

With 20% of the City's income tax revenue dedicated to funding street and capital improvements, Fairfield City Council and Administration are committed to maintaining the City's existing infrastructure, while also investing in infrastructure enhancements and additional capital assets.

Updated annually, the City of Fairfield Capital Improvements Program (CIP) provides a roadmap for anticipated capital projects ranging from utilities, parks, facilities, transportation, and other capital and infrastructure needs.



Significant Projects in 2023:

- ✓ **Riegert Square Improvements** – The City revitalized a major corridor into Fairfield's town center with improvements to the Riegert Square commercial development along Pleasant Avenue. This project included new curbs, sidewalks, landscaping, street lighting, and signage. Additionally, the 15 curb cuts from the parking lot to the street were reduced to 4, limiting the number of conflict points between vehicles and improving safety. This \$1.25 million project was funded using pandemic relief monies from the American Rescue Plan Act.
- ✓ **Port Union Water Tower** – The City constructed a new water tower on Port Union Road. This is the first new tower in Fairfield in over 25 years and is needed to ensure sufficient water service capacity and fire protection capabilities due to continued industrial growth and water demand on the eastern side of the City. The 1.25 million gallon tower was put into service on October 16, 2023.
- ✓ **Michael/Camelot/Route 4 Intersection Project** – In 2023, the City completed a major overhaul of a previously problematic intersection on the busy Route 4 corridor. Improvements included realigning the intersection to correct an offset between Michael and Camelot, as well as signal improvements and utility relocation. Approximately 72% of the \$1.3 million project was funded by the Ohio Department of Transportation.



UPCOMING SIGNIFICANT PROJECTS

Wastewater Treatment Plant Aeration System Improvements:

Fairfield's Public Utilities Department is replacing 50-year-old equipment associated with the plant's aeration treatment systems. These systems are critical to wastewater treatment as they provide dissolved oxygen into the wastewater, promoting the proper aquatic environment for microbiological populations to flourish. These micro-organisms then digest and break down the waste, generating clean water at the end of the process.

The project includes "smart" controls, which will enable staff to better automate the treatment process, allowing for a more efficient and consistent operation. Additionally, the thoughtful design of the new diffuser configurations will enable easy future retrofits in the event the tanks need to be repurposed to achieve more stringent discharge requirements, significantly improving the Plant's ability to comply with federal and state environmental regulations now and in the future. This project began in late 2023 and will continue into 2024.

South Gilmore Widening:

The City will widen South Gilmore Road from Resor Road to Mack Road to accommodate a second southbound lane. The project will include signal improvements at Resor Road, new pavement, a median island, and fencing. Sidewalks will be added from Flraig Drive to Planet Drive and from Mack Road to Resor Road. In 2020, this project was approved for federal funding, which will cover approximately 72% of the right of way purchases and construction.

Harbin Park Renovations:

Phase III of the Harbin Park Renovation began in 2023 and will continue into 2024. This is a multi-phased plan that began in 2021. 2024 projects will include a new playground, new shelters, restrooms, parking, a disc golf course, and a detention pond.

Additionally, the City's first public use splash pad for interactive water-based play will be constructed. This portion of the project was awarded and began in 2023, but the majority of the construction will occur in 2024.



Playground site – October 2023



Playground site – June 2024

Contact Us

Emergency – Dial 911
General – 513-867-5300

Utilities – 513-867-5375
Parks – 513-867-5348
Finance – 513-867-5315

5350 Pleasant Avenue
Fairfield, OH 45014
www.fairfieldoh.gov

Residents of Fairfield

Mayor (Elected)
Mitch Rhodus

City Council (Elected)
Gwen Brill, At-Large
Matt Davidson, At-Large
Tim Meyers, At-Large
Leslie Besl, First Ward
Dale Paullus, Second Ward
Terry Senger, Third Ward
Adam Kraft, Fourth Ward

Municipal Judge (Elected)
Joyce A. Campbell

Boards & Commissions

Clerk of Council
Alisha Wilson

City Manager
Scott Timmer

Law Director
John Clemmons

Assistant City Manager
Laurie Murphy

Assistant Law Director
Steve Wolterman

Human Resources
Information Technology

Development Services
Greg Kathman

Public Utilities
Adam Sackenheim

Police
Steve Maynard

Building & Zoning
Economic Development
Planning

Distribution & Collection
Treatment

Community Services
Operations
Support Services

Finance
Chris Hacker

Public Works
Ben Mann

Fire/EMS
Thomas Lakamp

Accounting
Income Tax
Utility Billing

Engineering
Fleet & Facilities
Streets & Grounds

EMS/
Community Relations
Training

Parks & Recreation
Mandi Brock

Maintenance
Recreation