



POPULAR ANNUAL FINANCIAL REPORT

For the year ended December 31, 2018



CITY COUNCIL



Seated, left to right: **Bill Woeste** (At-Large), **Mayor Steve Miller**, **Tim Abbott** (4th Ward)
Standing, left to right: **Craig Keller** (2nd Ward), **Ron D’Epifanio** (At-Large), **Chad Oberson** (At-Large),
Debbie Pennington (3rd Ward), **Leslie Besl** (1st Ward)



CITY MANAGER

City Manager, Mark Wendling, is appointed by City Council and serves as the Chief Executive Officer and head of the administrative branch of the City. The City 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, 2018. The PAFR summarizes the City's financial activities from a more detailed report called the Comprehensive Annual Financial Report (CAFR). The CAFR contains financial statements prepared in conformance with Generally Accepted Accounting Principles (GAAP) and is audited by Plattenburg & Associates, an independent auditing firm.

The 2018 CAFR received an unmodified (clean) opinion, and the PAFR uses that same information presented in a more reader-friendly format. The City of Fairfield's 2018 CAFR is available on the City of Fairfield website:

<https://www.fairfield-city.org/222/Comprehensive-Annual-Financial-Reports>

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.



Scott W. Timmer
Director of Finance



AWARDS

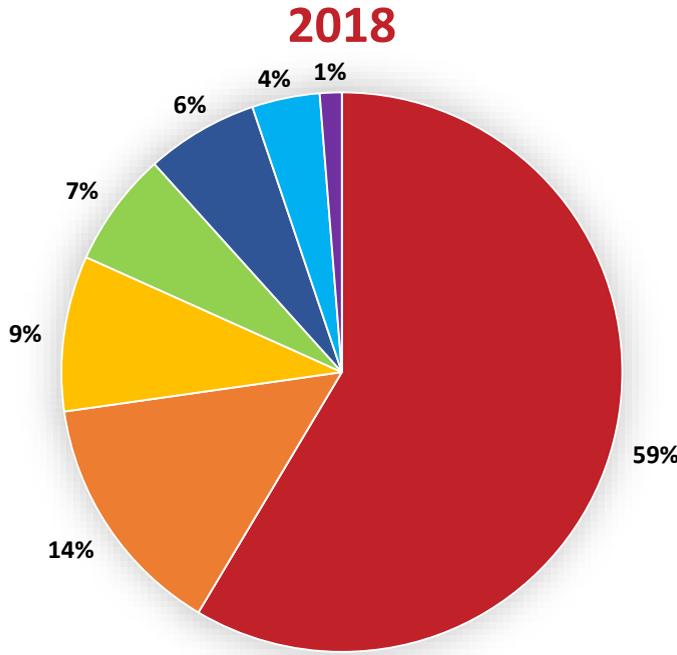
The City received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the fiscal year ending December 31, 2017. This was the 13th consecutive year that the City has achieved this award. The CAFR for fiscal year ended December 31, 2018, has been submitted for GFOA consideration.

Where the Money Comes From

Revenues – Governmental Activities

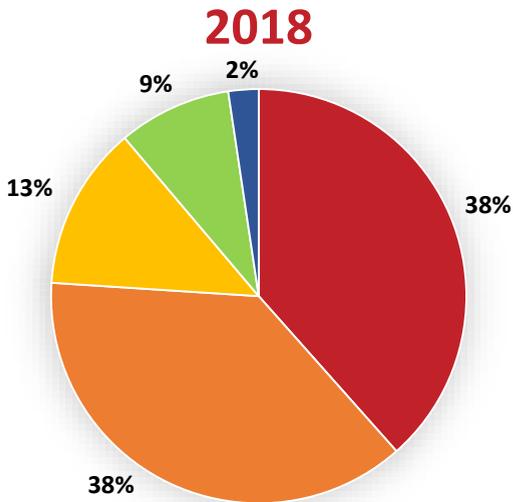
The funding the City receives in order to provide services to its residents and business community comes from a variety of sources. The charts below summarize the governmental activities revenue by type for 2018. Income taxes make up 58% of governmental activities revenue. Maintaining a strong local tax base is critical for continued success.

	2017	2018
Income Taxes	\$28,041,922	\$30,739,815
Property Taxes	\$7,695,614	\$7,455,793
Charges for Services	\$4,452,994	\$4,720,895
Capital Grants and Contributions	\$1,257,952	\$3,472,908
Operating Grants and Contributions	\$3,301,379	\$3,403,213
Other Revenue	\$1,866,272	\$2,049,802
Investment Earnings	\$423,476	\$663,060
	\$47,039,609	\$52,505,486



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. Examples of Proprietary Fund charges for service are charges for water, sewer, and solid waste. Additionally, charges for service include fees at the City’s Recreational Facilities for example the aquatic center and two golf courses.

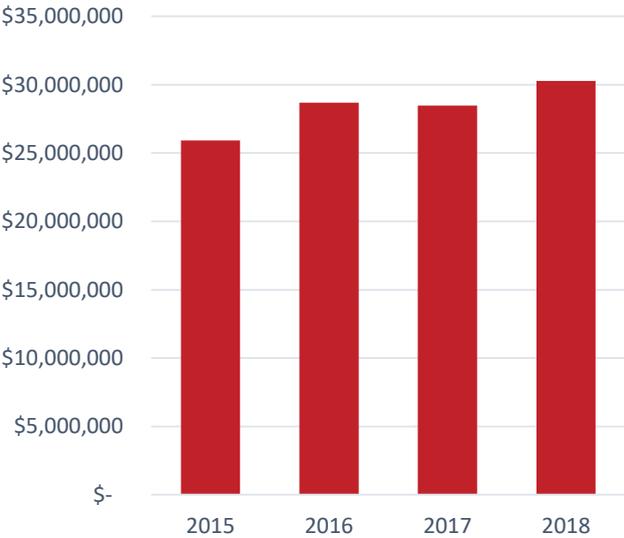


	2017	2018
Sewer Utility	\$6,306,111	\$7,047,636
Water Utility	\$5,686,777	\$6,885,777
Solid Waste	\$2,273,206	\$2,346,009
Recreation	\$1,791,263	\$1,615,420
Other Revenue	\$346,038	\$431,410
	\$16,403,395	\$18,326,252

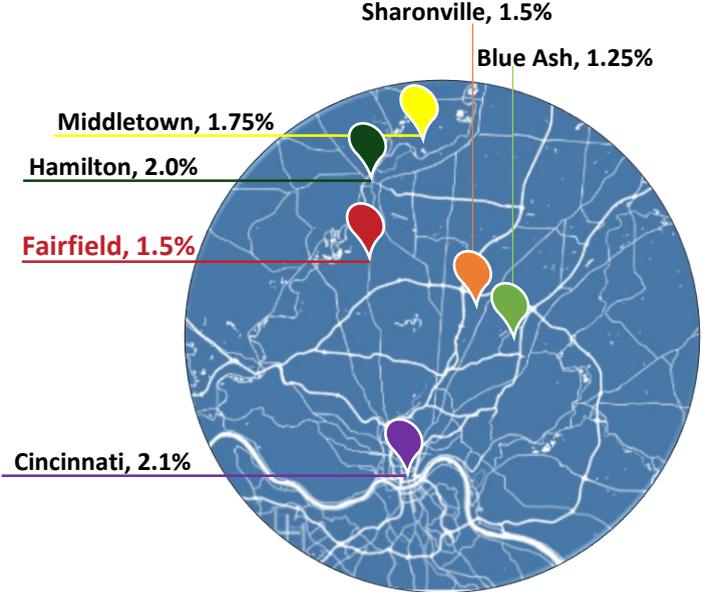
Income Taxes

Income taxes represent the largest source of revenue for the City. 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 taxes withheld from employees working in the City represents 79% of the City’s total income tax revenue. This high percentage outlines the financial impact and significance of nonresidential development in the City.

Income Tax Collections



Southwest Ohio Tax Rates



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 County Treasurer’s office collects the property taxes and the County Auditor’s office distributes those revenues to the appropriate jurisdiction. During a calendar year, a resident is paying for a property tax valuation from the prior calendar year.

Calendar Year	Collection Year	Assessed Value			Estimated Actual Value	Direct Rate
		Real Property	Public Utilities	Total		
2014	2015	\$ 914,754,880	\$ 34,544,460	\$ 949,299,340	\$ 2,637,907,192	5.94
2015	2016	\$ 903,236,750	\$ 38,373,230	\$ 941,609,980	\$ 2,616,540,045	5.94
2016	2017	\$ 903,187,030	\$ 41,633,890	\$ 944,820,920	\$ 2,625,462,586	8.44
2017	2018	\$ 956,212,820	\$ 43,078,190	\$ 999,291,010	\$ 2,776,823,738	8.44
2018	2019	\$ 1,000,644,150	\$ 47,648,580	\$ 1,048,292,730	\$ 2,912,989,418	8.44

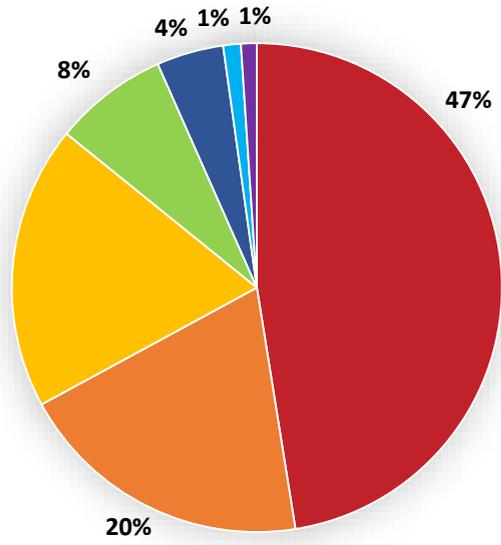
The assessed value of real property (including public utility real property) is 35% of estimated value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25% of true value for railroad property to 88% for electric transmission and distribution property. General business tangible personal property is assessed at 25% for everything except inventories, which are assessed at 23%.

Where the Money Goes

Expenses – Governmental Activities

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

2018

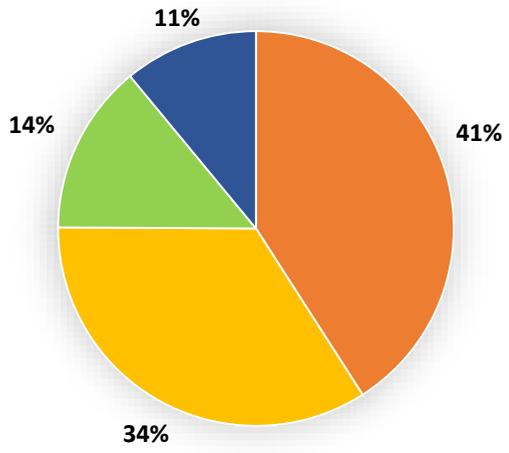


	2017	2018
Public Safety	\$19,659,072	\$22,968,209
General Government	\$9,420,931	\$9,476,038
Transportation and Street Repair	\$8,471,472	\$9,083,304
Leisure Time Activities	\$3,523,300	\$3,643,483
Community Development & Public Health	\$2,109,819	\$2,138,301
Interest and Other Charges	\$696,672	\$562,058
Basic Utility Service	\$464,115	\$502,866
Total	\$44,345,381	\$48,374,259

Expenses – Proprietary Funds

Proprietary Fund expenditures 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 support the cost of running the utility enterprise. Additionally, the City collects for solid waste charges and operates its own recreational facilities, for example an aquatic center and two golf courses.

2018

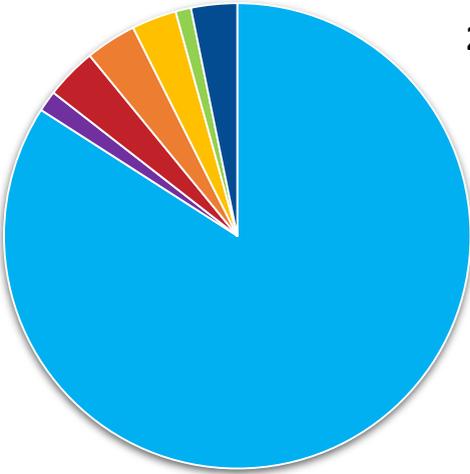


	2017	2018
Sewer Utility	\$5,950,929	\$6,835,855
Water Utility	\$6,733,916	\$5,703,566
Solid Waste	\$2,295,473	\$2,328,509
Recreation	\$1,962,035	\$1,832,164
Total	\$16,942,353	\$16,700,094

General Fund Analysis

General Fund Revenues by Category

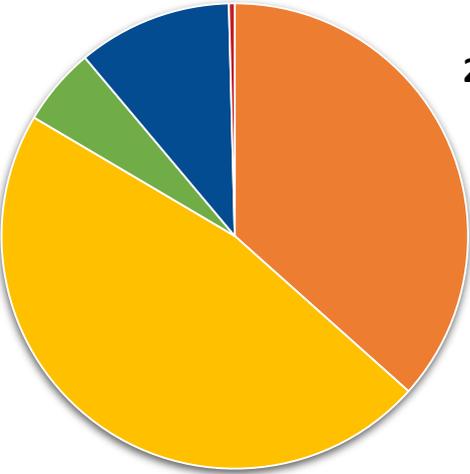
	2018	2017	% Change
Taxes	\$26,450,152	\$26,234,579	0.82%
Licenses & Permits	\$457,407	\$467,645	-2.19%
Intergovernmental	\$1,116,011	\$1,064,141	4.87%
Charges for Services	\$1,111,037	\$1,125,372	-1.27%
Court Costs & Fines	\$978,056	\$984,343	-0.64%
Investment Earnings	\$336,494	\$194,391	73.10%
Other Revenues	\$1,002,981	\$935,284	7.24%
	\$31,452,138	\$31,005,755	1.44%



2018 Revenues by Category

Taxes	84.10%
Licenses & Permits	1.45%
Intergovernmental	3.55%
Charges for Services	3.53%
Court Costs & Fines	3.11%
Investment Earnings	1.07%
Other Revenues	3.19%

	2018	2017	% Change
General Government	\$9,526,026	\$9,989,803	-4.64%
Public Safety	\$12,191,021	\$11,334,716	7.55%
Community Development	\$1,403,439	\$1,461,667	-3.98%
Leisure Time Activities	\$2,782,211	\$2,692,627	3.33%
Capital Outlay	\$105,125	\$328,430	-67.99%
	\$26,007,822	\$25,807,243	0.78%



2018 Expenditures by Category

General Government	30.29%
Public Safety	38.76%
Community Development	4.46%
Leisure Time Activities	8.85%
Capital Outlay	0.33%

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 2018, over 94% of the City's General Fund revenue was derived from four sources: Taxes, Intergovernmental, Charges for Service, and Court Costs & Fines. Additionally, over 69% of the City's General Fund expenditures come from two sources: General Government and Public Safety. 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 these charts are found in the City's Schedule of Revenues, Expenditures, and Changes in Fund Balance and are presented on a Non-GAAP Budgetary Basis.

Did you know?
The City of Fairfield and Fairfield City Schools are two separate entities, each with their own independent elected officials and budgets. The Fairfield City School District is funded primarily with property taxes; the City of Fairfield is funded primarily with income taxes.

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 2018:
- ✓ The Route 4 Urban Paving project commenced in 2018 with a cost of \$3.3 million, with \$1.8 million in state funding. This project paved Route 4 from the City's northern corporate line south to Seward Road.
 - ✓ Improvements to North Gilmore Road from Holden Boulevard to Symmes Road occurred in 2018. The cost of this project was \$1.5 million, with outside funding of \$750,000. This project included overlay, storm sewer, guardrail, shoulder widening, and adding a striped center turn lane between Route 4 and Hicks Boulevard.
 - ✓ Upgrades to the Central Traffic System have an expected cost of \$2.8 million, with outside funding of \$2.2 million. This project will include new adaptive software and video detection.
 - ✓ Groundbreaking of the Fairfield Dog Park / Trailhead. This multi-purpose project will create a 6.5 acre park featuring a pond, multiple greenspace areas, a dog park, and future trailhead.
 - ✓ The City purchased a new ambulance for the Fire Department in 2018. The new ambulance replaces one purchased in 2009.





Groundbreaking for Furfield Dog Park. The park will function as a combination dog park and future trailhead for the Great Miami River Trail.



Progress on the River and Gray Road Roundabout.



Traffic signal improvement project. This project includes a variety of upgrades to the City's 61 existing traffic signals.



City of Fairfield
5350 Pleasant Avenue
Fairfield, OH 45014

www.fairfielddoh.gov

Mayor

Steve Miller

At-Large Council Members

Ron D'Epifanio

Chad Oberson

Bill Woeste

1st Ward Councilmember

Leslie Besl

2nd Ward Councilmember

Craig W. Keller

3rd Ward Councilmember

Debbie Pennington

4th Ward Councilmember

Tim Abbott

Clerk of Council

Alisha Wilson

City Manager

Mark Wendling

Assistant City Manager

Dan Wendt

Director of Finance

Scott Timmer

CITY OF FAIRFIELD, OHIO

POPULAR ANNUAL FINANCIAL REPORT

Contact Us

Emergency – Dial 911

General – 513-867-5300

Utilities – 513-867-5375

Parks – 513-867-5348

Finance – 513-867-5315