



POPULAR ANNUAL FINANCIAL REPORT

For the year ended December 31, 2019



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 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

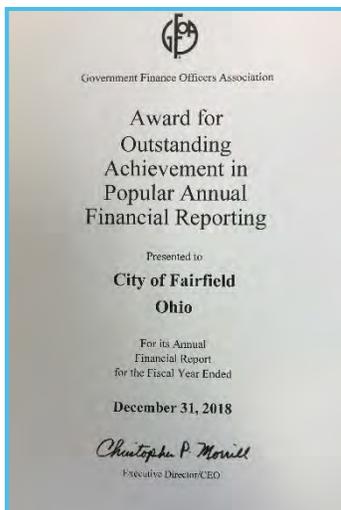
The Department of Finance is proud to present the City of Fairfield's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2019. The PAFR summarizes the City's financial activities from a more detailed report called the Comprehensive Annual Financial Report (CAFR). The CAFR contains financial statements prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by Plattenburg & Associates, an independent auditing firm.

The 2019 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 2019 CAFR is available at the City Building in the Finance Office or on the City of Fairfield website at the following location: <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

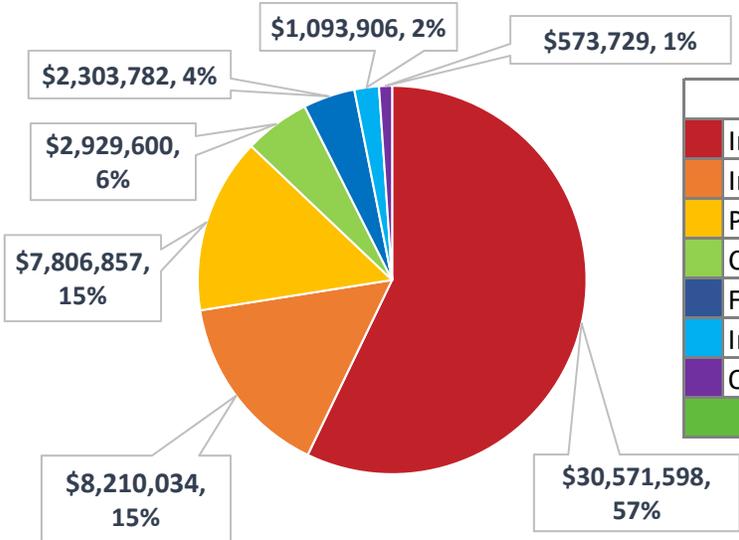
The City received the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting for its PAFR for the fiscal year ended December 31, 2018. This was the 1st time the City has achieved this award since 2005.

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 the 2019 CAFR. The significance of income taxes is recognizable as it makes up 57% of governmental activities revenue. Maintaining a strong local tax base is critical for continued success.

2019

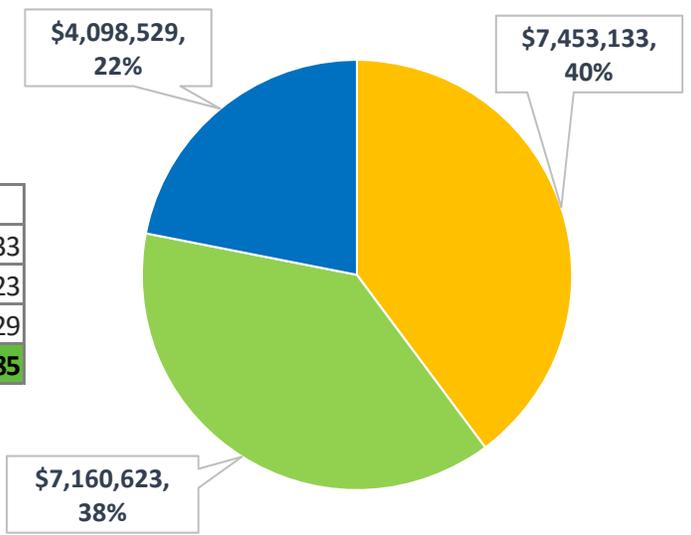


	2017	2018	2019
Income Taxes	\$28,464,424	\$30,288,354	\$30,571,598
Intergovernmental	\$5,191,496	\$8,417,569	\$8,210,034
Property Taxes	\$7,567,383	\$7,578,973	\$7,806,857
Charges for Services	\$2,698,535	\$2,796,234	\$2,929,600
Fines, Licenses & Permits	\$2,140,372	\$2,093,158	\$2,303,782
Investment Earnings	\$431,784	\$675,646	\$1,093,906
Other Revenue	\$531,405	\$539,338	\$573,729
Total	\$47,025,399	\$52,389,272	\$53,489,506

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 the 2019 CAFR. 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.

2019

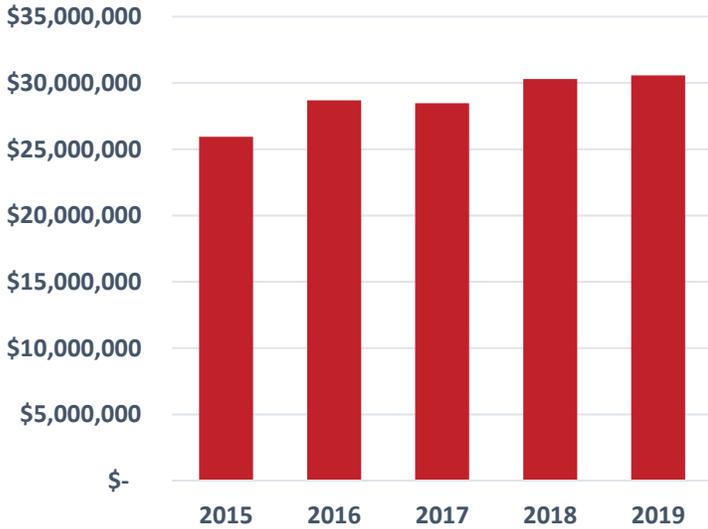


	2017	2018	2019
Water Utility	\$5,862,005	\$7,035,900	\$7,453,133
Sewer Utility	\$6,360,381	\$7,117,454	\$7,160,623
Other Enterprise	\$4,099,468	\$3,993,232	\$4,098,529
Total	\$16,321,854	\$18,146,586	\$18,712,285

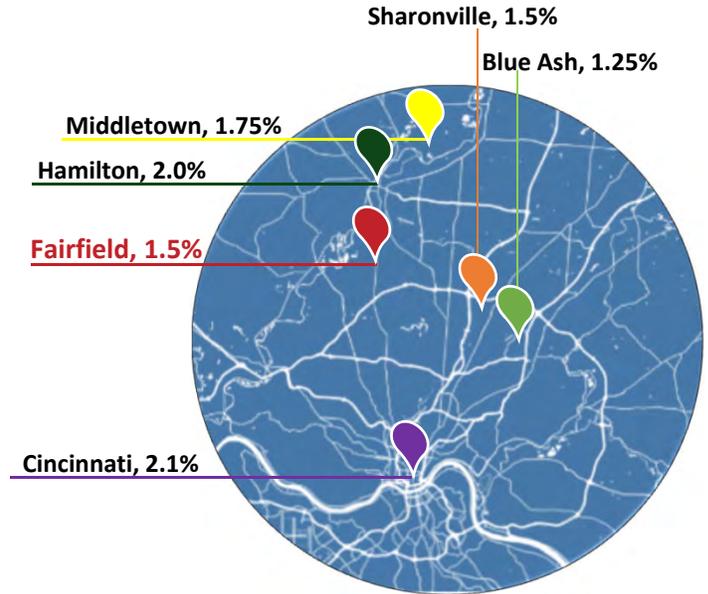
Income Taxes

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 withholding represents 77% 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



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.

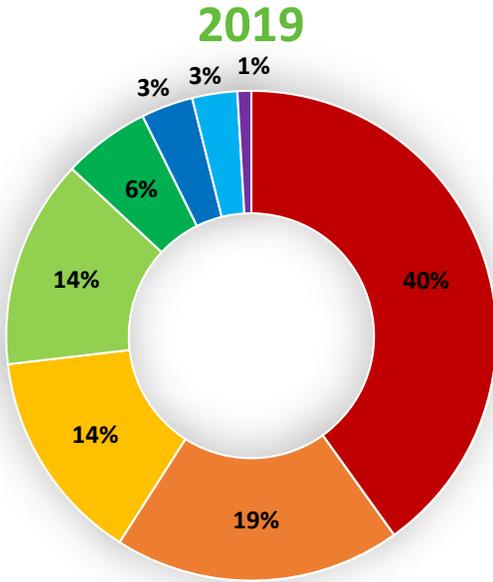
Calendar Year	Collection Year	Assessed Value			Estimated Actual Value	Direct Rate
		Real Property	Public Utilities	Total		
2014	2015	\$ 914,754,880	\$ 34,544,460	\$ 949,299,340	\$ 2,637,907,192	5.94
2015	2016	\$ 903,236,750	\$ 38,373,230	\$ 941,609,980	\$ 2,616,540,045	5.94
2016	2017	\$ 903,187,030	\$ 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
2019	2020	\$ 984,802,100	\$ 49,484,530	\$ 1,034,286,630	\$ 2,874,069,353	8.44

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 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%. Property is assessed annually.

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.

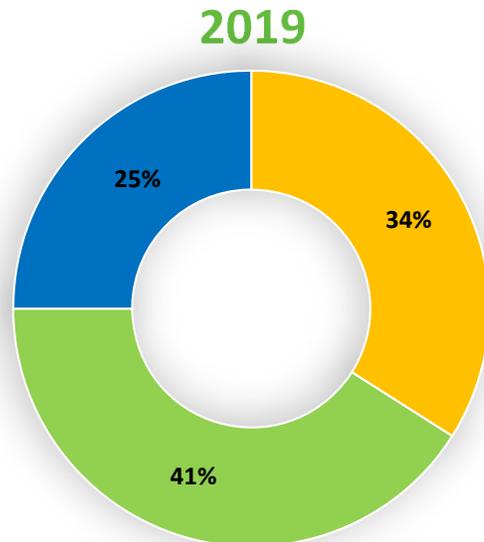


	2017	2018	2019
Public Safety	\$17,784,469	\$19,027,936	\$19,586,285
General Government	\$8,341,413	\$8,581,493	\$9,241,331
Transportation and Street Repair	\$3,239,569	\$3,454,387	\$6,886,517
Capital Outlay	\$7,192,216	\$10,586,483	\$6,735,184
Leisure Time Activities	\$2,598,885	\$2,665,024	\$2,808,303
Debt Service	\$2,140,999	\$2,021,485	\$1,673,942
Community Development & Public Health	\$1,486,936	\$1,432,907	\$1,451,989
Basic Utility Service	\$464,115	\$502,866	\$444,198
Total	\$43,248,602	\$48,272,581	\$48,827,749

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 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.

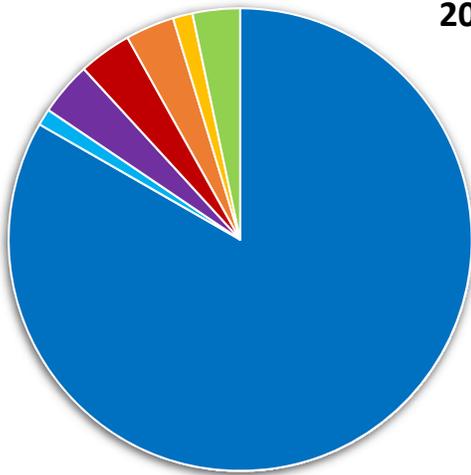
	2017	2018	2019
Water Utility	\$6,691,760	\$5,639,963	\$7,239,622
Sewer Utility	\$5,919,464	\$6,799,256	\$6,454,803
Other Enterprise Funds	\$4,244,326	\$4,147,028	\$4,563,467
Total	\$16,855,550	\$16,586,247	\$18,257,892



General Fund Analysis

General Fund Revenues by Category

	2017	2018	2019	% Change
Taxes	\$26,234,579	\$26,450,152	\$27,534,768	4.10%
Licenses & Permits	\$467,645	\$457,407	\$383,063	-16.25%
Intergovernmental	\$1,064,141	\$1,116,011	\$1,238,444	10.97%
Charges for Services	\$1,125,372	\$1,111,037	\$1,223,070	10.08%
Court Costs & Fines	\$984,343	\$978,056	\$1,127,951	15.33%
Investment Earnings	\$194,391	\$336,494	\$452,919	34.60%
Other Revenues	\$935,284	\$1,002,981	\$1,095,640	9.24%
	\$31,005,755	\$31,452,138	\$33,055,855	5.10%

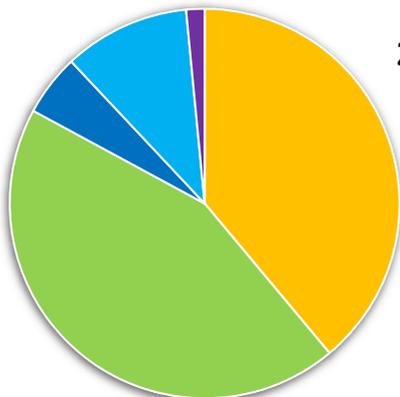


2019 Revenues by Category

■ Taxes	83.3%
■ Licenses & Permits	1.16%
■ Intergovernmental	3.75%
■ Charges for Services	3.70%
■ Court Costs & Fines	3.41%
■ Investment Earnings	1.37%
■ Other Revenues	3.31%

General Fund Expenditures by Category

	2017	2018	2019	% Change
General Government	\$9,989,803	\$9,526,026	\$10,922,456	14.66%
Public Safety	\$11,334,716	\$12,191,021	\$12,336,891	1.20%
Community Development	\$1,461,667	\$1,403,439	\$1,431,138	1.97%
Leisure Time Activities	\$2,692,627	\$2,782,211	\$2,937,209	5.57%
Capital Outlay	\$328,430	\$105,125	\$428,926	308.02%
	\$25,807,243	\$26,007,822	\$28,056,620	7.88%



2019 Expenditures by Category

■ General Government	38.93%
■ Public Safety	43.97%
■ Community Development	5.10%
■ Leisure Time Activities	10.47%
■ Capital Outlay	1.53%

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 2019, 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 82% of the City's General Fund expenditures come from two sources: General Government and Public Safety. In the case of Public Safety, this would be 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 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 2019:

- ✓ The 2019 Annual Street Paving project for 2019 covered approximately 23.5 lane miles with a cost of \$1.95 million. This project paved portions of Symmes Road, Magie Avenue, Mack Road, Ross Road, and multiple neighborhood streets.
- ✓ In the Water Division, upgrades to the distribution system were made. In 2019, improvements were made at Donald Drive, Mack Road, Ross Road, and Seward Road for approximately \$2 million.
- ✓ Upgrades to the Homeward Way Lift Station were made in 2019. The Wastewater division upgraded pumping components to convey increased sanitary sewer flow from the new Fairfield Elementary School. These upgrades cost approximately \$660,000.
- ✓ Completion of the first roundabout occurred in 2019. The roundabout at River Road and Gray Road will enhance traffic calming and future pedestrian and bike crossings.
- ✓ Completion of the Furfield Dog Park / Trailhead occurred in 2019. This multi-purpose project created a 6.5 acre park featuring a pond, multiple greenspace areas, a dog park, and future trailhead.





Water main improvements on Donald Drive.



The Miami Chapel Cemetery received a historical marker in 2019.



The Furfield Dog Park / Trailhead made its grand opening in 2019.



www.fairfielddoh.gov

**5350 Pleasant Avenue
Fairfield, OH 45014**

Contact Us

Emergency – Dial 911

General – 513-867-5300

Utilities – 513-867-5375

Parks – 513-867-5348

Finance – 513-867-5315

CITY OF FAIRFIELD, OHIO

POPULAR ANNUAL FINANCIAL REPORT