CITY OF FAIRBORN
COUNCIL WORK SESSION
July 21, 2025, at 5:00 p.m.
Fire Training Room

COUNCIL MEMBERS	Present	Absent
Dan Kirkpatrick, Mayor	☒	☐
Clint Allen, Councilman	☐	☒
Sylvia Chess, Councilwoman	☒	☐
Adam Fritzsche, Councilman	☒	☐
Rodney McCubbins, Councilman	☒	☐
Mary Reaster, Deputy Mayor	☒	☐
Tana Stanton, Councilwoman	☒	☐

STAFF MEMBERS PRESENT

Browning, E. Gay, Gebhart, McClure, McNamee, and Taylor.

Mike Gebhart, City Manager, began with the National Wildlife Federation Certification of Wildlife Habitat Program for the Parks System. He reviewed the reasons why we should obtain the certification. He explained there 360 communities across the nation that have this certification. He explained that Dublin, Brookline Center, Medina County and Yellow Springs and Westerville have this program. The City would like to earn Community Wildlife Certification. The program is based on points. The City must register with the NWS Community Habitat Program and then fulfill two sets of required certification points achieved by certifying a sufficient number of individual sites, homes, parks, etc. in the community as certified Community Wildlife habitats. Education and outreach points earned through workshops are also needed for certification. He is not aware of any legislation that is needed for this certification. There is a request for a Proclamation when the City goes through the application process. It costs $99 for a one-time registration fee and $25 for each of our 25 parks for a total of $625, $30 per park per sign is $750 for a grand total of $1,474. It is his understanding these are one-time fees. He explained moving forward the FEAB will be working on this program. Dottie Meade is heading up the subcommittee for this program. Chris Barker and he met with Dottie and Audrey last week. Chris is currently reviewing the points system, and he believes the City is close to having the points needed for certification and he will work with Dottie on completing the application.

Ms. Meade stated Ms. Thacker will work with them once someone pays $99 and gets the City registered, then anyone that they would like to have included in the network of people to work with Ms. Thacker can all go in. For example, they would have 75 points if all 25 of the parks were included. In total they need 250 points for the certification. We will have to educate homeowners, the schools, Wright State University can also give us some points. She does not think it is going to be hard to get to 250 points. It will require them to do some education opportunities along the way. Every homeowner would have to pay $25 if they would like to get their yards certified and $30 for the sign.

Mayor Kirkpatrick asked if that is one time fee. Ms. Meade stated it is a one-time fee. Once we are certified and Ms. Thacker explained it generally takes two years for a community to get certified, we are considered a small community and that is the reason for the $99 registration fee. Once we are certified then we have to get 30 points per year.

Mr. Gebhart stated we do have the budget to manage the $1747.

Councilman McCubbins asked if the green spaces in the new PUDs count. Mr. Gebhart stated he does not think those are dedicated City parks. He stated what they are talking about right now is for the City. They are focusing on that right now and then individual property owners can do it. He is assuming an individual Homeowners' Association could once we are there. That would be up to the HOA to do. Ms. Meade stated they have been in contact with Wright State University. Mayor Kirkpatrick asked for instance, his house, what would he do? Ms. Meade stated he would go through their training and education. Ms. Meade explained that for a homeowners' yard to be approved there needs to be three sources of food, one source of water, two sources of cover, two sources of places to raise young baby animals and at least two or three things from other categories of the certification. She explained he would need to go online to fill out the application and they would take his word for it. Then he could buy a sign. Ms. Meade explained for the Wildlife Habitat Program they need an email as well.

Deputy Mayor Reaster stated that they need 250 points in order to get the certification, but we can start the process now by paying the application fee. Ms. Meade stated yes, the application fee is $99 and then Ms. Thacker will set up a meeting for all the people who want to be on the committee and be on the network. They can't do anything until they register. Deputy Mayor Reaster asked Ms. Meade to email the listing of activities for points and guidelines to Council. Ms. Meade agreed to do so.

Councilwoman Stanton thanked Ms. Meade and Audrey for their hard work on this as she knows they worked hard on it.

FINANCE UPDATE

Hilary Browning, Finance Director, presented the financial update for the second quarter of the year. Her presentation included highlights of the following information:

- All fund sources and uses 2022-2025 YTD.
- Cash Summary: All funds 2025YTD.
- YTD Revenue Trends: Revenue Actuals to budget
- Closer Look: Revenue by Fund
- Revenue Trends Over Time: Income Tax
- Revenue Trends to Date: Income Tax
- YTD Expenditure Trends: Expense Actuals to Budget
- Closer Look: Expenses by Fund

Her power point presentation is attached marked Exhibit "A."

Mayor Kirkpatrick asked what makes the Police Fund so vulnerable.

Mrs. Browning explained that 100 percent of dispatch in the amount of the $1.4 million budget is coming out of the Police Fund which is the first part of the problem. The second part of it is the Police just has less sources of revenue. Ms. Browning explained that even though Police and Fire have very equal expenses or equal to budgets because Fire has more revenue and Police has less revenue and more expenses that makes the Police Fund more vulnerable. The Police transfer in from the General Fund is budgeted at $2.7 million and Fire's at $600,000. That is the imbalance. We are currently subsidizing Police and Fire through the General Fund, but the Police subsidy is much greater than the Fire subsidy due to the Fire Department's ability to bill for their EMS and medical services.

Mrs. Browning discussed income taxes, which are the number one source of revenue for the City right now. We have had some anomalies over the last couple of years. In 2021 there were more collections because we increased our income taxes which increased our collections. But 2024 sees spikes in the trend lines. The first small spike in May was because a manufacturing company had record net profits and made us a single one-time net profit payment. In July and October, we had another large defense employer that was purchased at a record profit, and they made additional net profit payments there. These were truly one-time revenues which cannot be included in forecasting, and we are not going to make as much income tax revenue in 2025 as we did in 2024. She wanted to get a graph together to explain why that is. It will be nearly impossible for there to be a $4 million month like they had in 2024.

Mayor Kirkpatrick asked if the goal was to get more big business to bring in more income tax. Mrs. Browning agreed that the goal would be to increase the income tax revenue.

Mrs. Browning explained that personnel is the City's biggest outlay. We are 44 percent expense at the time she pulled these numbers. They had more than half the payroll in. She is pleased that at 13 payrolls in you would expect that to be exactly 50 or slightly higher because they do have some front-ended insurance expenses so at 44.2 percent she is very pleased with that.

Mrs. Browning explained after the rate increase study is complete, she will be initiating a rate increase to keep it sustainable to ensure that we can continue to provide safe and clean water for our customers. Councilwoman Chess asked that Mrs. Browning email a copy of that to her.

Mayor Kirkpatrick asked if the City is short in any division that needs to hire people. Mrs. Browning explained Police and Fire are both majorly under budget and have vacancies that need to be filled.

Councilwoman Stanton asked if there have been discussions of rebalancing some departments. Mr. Gebhart stated he thinks as we go through the budget process that could be one of the things they could look at. He is still concerned about passing the two levy renewals. If we don't do that then it is a totally different scenario. For instance, they talked about a second Assistant Fire Chief, which could possibly be budgeted for in 2026 as long as the levies are approved. Mrs. Browning calculated that we have 23 firefighters and 21 police officers funded by property tax. So that is half the force that is budgeted and paid for by property tax.

Mr. Gebhart stated if the levies don't pass in November, we still have two more shots while we are still receiving collections from the current levy.

CITY MANAGER COMMENTS

Mike Gebhart, City Manager, discussed reporting property maintenance and zoning issues. He asked that Council direct citizens to the City website to report those through the web portal because when they do that it actually generates a report and a listing, and it lets them list what they think is wrong with the property. It assigns someone in Code enforcement, planning, or streets to follow up on those. This way the issue can be tracked through the system. Deputy Mayor Reaster asked if that could be done confidentially. Mr. Gebhart stated he believes it does need a name.

He provided a civic engagement update. Ask the Mayor will be done bi-weekly. They are working on adding a Saturday morning to the Council Conversations schedule and shortening the time from two hours down to one hour. Emily Gay stated there are events on August 14th and the 29th for Council Conversations. The first official Mayor's Forum will be on Monday, August 25th. Mayor Kirkpatrick asked if there would be topics for those. Mr. Gebhart stated they have to make that topic about the levy. There are still 8 openings for the Citizens Academy. Councilman McCubbins asked if 15 was a hard cap for the Citizens Academy. Mr. Gebhart stated they could adjust the number if needed.

Mr. Gebhart explained there are two Resolutions on tonight's agenda that starts the process to put the two levies on the ballot. This one tonight if it is approved, we will shoot the request over to the County Auditor who will come back with certified numbers for us as estimates to what the levy would generate. Next week at the joint meeting with the City Council, Bath Township, and the School Board we will have a special meeting imbedded in there and advertised to go into special session long enough to pass the resolution for both that is required to actually place it on the ballot. So, there will be two pieces of legislation related to the levy request next week on the 28th at the joint meeting.

COUNCIL COMMENTS

Councilwoman Chess suggested having a Council Conversation a La Base. Ms. Gay thinks it could be hard since they don't have a separate space. Councilwoman Chess also suggested JY Bamboo.

Councilman McCubbins asked when they would be discussing the Marijuana Moratorium again and could they consider discussing gas stations and vapes. Mr. Gebhart asked Mr. McNamee what prevents us from outlawing Delta 8. Mr. McNamee stated he would need to look into that as it is not a regulated substance.

ADJOURNMENT

Deputy Mayor Reaster moved to adjourn the meeting. Councilman Fritzsche seconded. Yeas, six: Reaster, Fritzsche, Allen, Stanton, McCubbins and Kirkpatrick. Nays, none. Motion carried. The meeting was adjourned at 5:54 p.m.

MAYOR

CLERK, CITY OF FAIRBORN

2025 Quarter 2 Finance Update



Exhibit "A"

FAIRBORN
A CITY IN MOTION

All Funds Sources and Uses 2022-2025YTD

All Funds	2022 Actuals	2023 Actuals	2024 Actuals	2025 Rev. Budget	2025 YTD Actuals
Sources					
General	18,768,616	19,401,587	22,690,448	22,389,278	12,542,637
Fire	7,792,486	9,034,939	8,142,213	9,363,020	5,069,811
Police	7,593,950	9,602,950	9,513,383	8,837,480	4,784,759
Public Works/Streets	8,158,191	6,279,850	7,229,743	8,987,127	2,998,335
Capital	10,482,910	13,190,341	11,902,746	9,683,687	8,209,107
Water	4,149,638	4,368,631	5,177,135	5,127,608	2,524,145
Sewer	6,095,574	5,905,856	6,369,855	6,315,118	3,240,739
Sanitation	3,218,635	3,157,610	3,946,756	4,123,894	2,076,865
Garage	1,656,049	1,678,560	1,655,438	2,130,553	939,807
All Other Funds	18,848,293	15,818,060	18,255,957	18,716,448	9,809,901
All Sources	**86,764,342**	**88,438,384**	**94,883,672**	**95,674,212**	**52,196,105**

Uses					
General	15,514,277	19,047,494	19,168,961	23,048,515	9,428,607
Fire	7,928,075	7,969,432	7,985,038	10,068,002	4,315,608
Police	8,851,346	8,421,587	7,997,673	10,676,321	4,800,091
Public Works/Streets	7,590,747	4,750,053	7,308,718	9,518,450	1,512,954
Capital	10,890,318	11,823,309	10,799,360	12,869,709	8,091,278
Water	4,700,641	4,494,527	4,962,171	5,715,130	2,886,897
Sewer	5,549,202	6,070,173	7,028,928	7,739,315	3,154,191
Sanitation	3,144,608	3,369,648	3,724,043	4,218,964	2,013,710
Garage	1,677,432	1,737,512	1,726,971	2,158,587	811,844
All Other Funds	15,625,861	16,166,138	22,713,246	21,037,627	8,828,147

All Uses	**81,472,508**	**83,849,872**	**93,415,109**	**107,050,620**	**45,843,327**
Sources Over(Under)	**5,291,834**	**4,588,512**	**1,468,563**	**(11,376,408)**	**6,352,778**

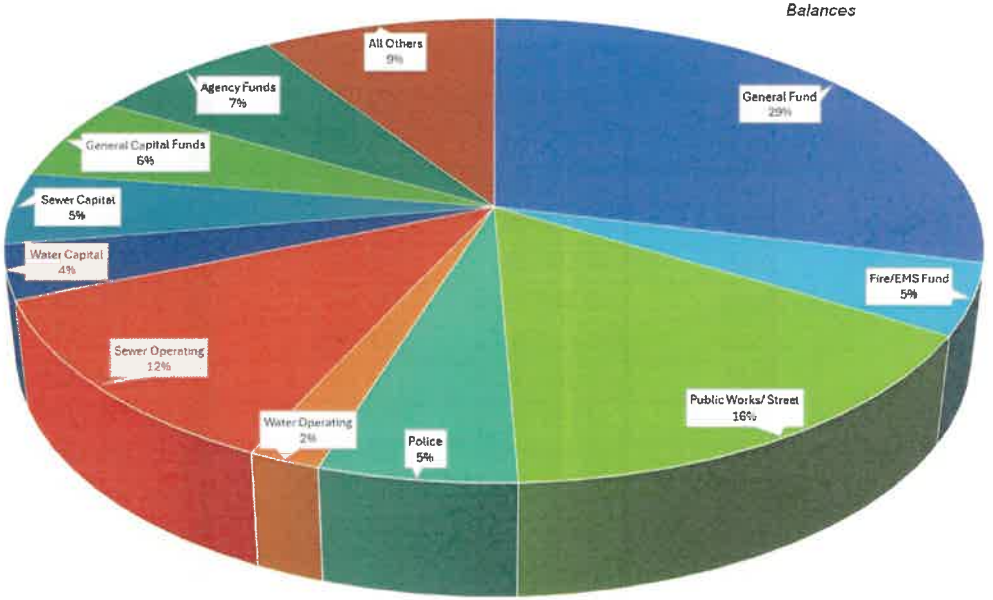
**Sources include Transfers-In*
***Uses include Transfers –Out*
**** Reflects 2025 Revised Budget*

FAIRBORN
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Cash Summary: All Funds 2025YTD

*** *Reflects 2025 Unaudited Balances*

Fund	Beginning Year Balance	YTD Cash Balance as of June 30, 2025	Unencumbered Cash as of June 30, 2025
General Fund	14,651,149.98	17,765,180.32	15,077,397.72
Fire/EMS Fund	2,249,994.38	3,004,196.97	2,497,166.31
Public Works/ Street	8,124,571.79	9,609,952.81	3,723,027.01
Police	3,417,989.09	3,402,657.06	2,992,108.80
Water Operating	1,609,916.89	1,247,164.64	363,202.87
Sewer Operating	2,863,263.90	7,229,744.63	6,059,429.94
Water Capital	1,795,273.78	2,325,654.77	1,831,396.31
Sewer Capital	3,178,731.55	3,116,714.45	2,600,333.58
General Capital Funds	3,402,788.55	3,565,438.04	1,873,545.37
Agency Funds	4,161,617.01	4,669,215.91	1,497,130.20
All Others	9,781,452.75	5,653,608.33	719,562.91
Total Cash Balances	**55,236,749.67**	**61,589,527.93**	**39,234,301.02**



- The City's total Cash Balances are in sound fiscal position.
- The cash reserve policy stipulates fund balances between 12 and 17%, with 17% considered to be optimal for operating funds.
- The Water Operating fund is vulnerable. When examining Water's Unencumbered Fund balance, it is below the required 12% reserve.
- The Police and Fire funds are receiving General Fund subsidies, keeping unencumbered cash position above the required maximum of 17%.
- Other Funds include grant funds and internal service funds. Cash balances fluctuate as they are project dependent.

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YTD Revenue Trends: Revenue Actuals to budget

Revenue Categories	2024 YTD Actuals	2025 Revised Budget	2025 YTD Actuals	% Collected	$ To Be Collected	% To be Collected
Charges for Services	8,122,504.91	17,535,356.00	9,097,594.79	51.9%	8,437,761.21	48%
Court Costs & Fines	831,239.85	1,554,200.00	781,124.86	50.3%	773,075.14	50%
Fees/Licenses/Permit	576,256.14	961,356.00	784,205.62	81.6%	177,150.38	18%
Interfund Charges	1,957,475.82	4,278,654.00	2,235,511.18	52.2%	2,043,142.82	48%
Intergovernmental	1,125,723.22	4,954,527.71	1,294,531.71	26.1%	3,659,996.00	74%
Municipal Income Tax	12,152,499.29	23,886,512.00	12,984,077.93	54.4%	10,902,434.07	46%
Oth Local Levied Tax	290,231.68	756,000.00	238,645.47	31.6%	517,354.53	68%
Other Financing Srcs	9,316,532.70	11,654,567.00	9,824,532.77	84.3%	1,830,034.23	16%
Other Revenue	2,840,879.40	6,556,083.81	3,109,518.54	47.4%	3,446,565.27	53%
Property Taxes	3,293,861.53	6,157,346.00	3,636,777.00	59.1%	2,520,569.00	41%
Refunds	442,928.00	297,260.00	496,238.00	166.9%	(198,978.00)	-67%
Reimbursements/Other	1,906,429.55	3,150,694.97	1,596,386.30	50.7%	1,554,308.67	49%
Special Assessments	88,445.45	226,648.00	129,184.75	57.0%	97,463.25	43%
ST Levied Shared Tax	2,082,149.98	4,333,320.00	2,141,294.30	49.4%	2,192,025.70	51%
Transfers From	4,075,949.17	9,271,687.00	3,802,607.10	41.0%	5,469,079.90	59%
Trust and Agency	49,625.00	100,000.00	43,875.00	43.9%	56,125.00	56%
Grand Total	**49,152,731.69**	**95,674,212.49**	**52,196,105.32**	**54.6%**	**43,478,107.17**	**45%**

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Closer Look: Revenue By Fund

	General Fund	Fire	Police	Public Works & Streets	Water	Sewer	Sanitation
Revenues							
Charges for Services	187,944.52	1,141,580.28	14,950.73	-	2,432,822.52	3,217,960.32	2,075,361.16
Court Costs & Fines	557,515.83	-	-	-	-	-	-
Fees/Licenses/Permit	233,861.27	450.00	405.00	73,758.67	61,026.06	-	-
Interfund Charges	1,544,706.62	-	-	-	-	930.56	-
Intergovernmental	674,395.34	-	83,723.98	-	-	-	-
Municipal Income Tax	6,513,687.83	1,606,721.20	1,606,721.11	1,628,473.91	-	-	-
Oth Local Levied Tax	123,484.80	-	-	-	-	-	-
Other Financing Srcs	179,822.00	-	-	-	-	-	-
Other Revenue	526,748.30	8,737.00	9,851.38	106,012.71	17,336.21	14,836.90	-
Property Taxes	776,430.88	1,430,173.06	1,430,173.06	-	-	-	-
Refunds	248,119.00	62,029.75	62,029.75	62,029.75	-	-	-
Reimbursements/Other	185,813.12	49,098.00	57,244.50	53,584.62	12,959.74	7,011.63	1,503.44
Special Assessments	98,313.53	-	-	-	-	-	-
ST Levied Shared Tax	688,311.30	137,685.77	169,659.95	1,074,474.93	-	-	-
Sub-Total Revenues	**12,539,154.34**	**4,436,475.06**	**3,434,759.46**	**2,998,334.59**	**2,524,144.53**	**3,240,739.41**	**2,076,864.60**
Transfers In	**3,482.65**	**633,336.00**	**1,350,000.00**	-	-	-	-
Total Sources	**25,081,791.33**	**9,506,286.12**	**8,219,518.92**	**5,996,669.18**	**5,048,289.06**	**6,481,478.82**	**4,153,729.20**

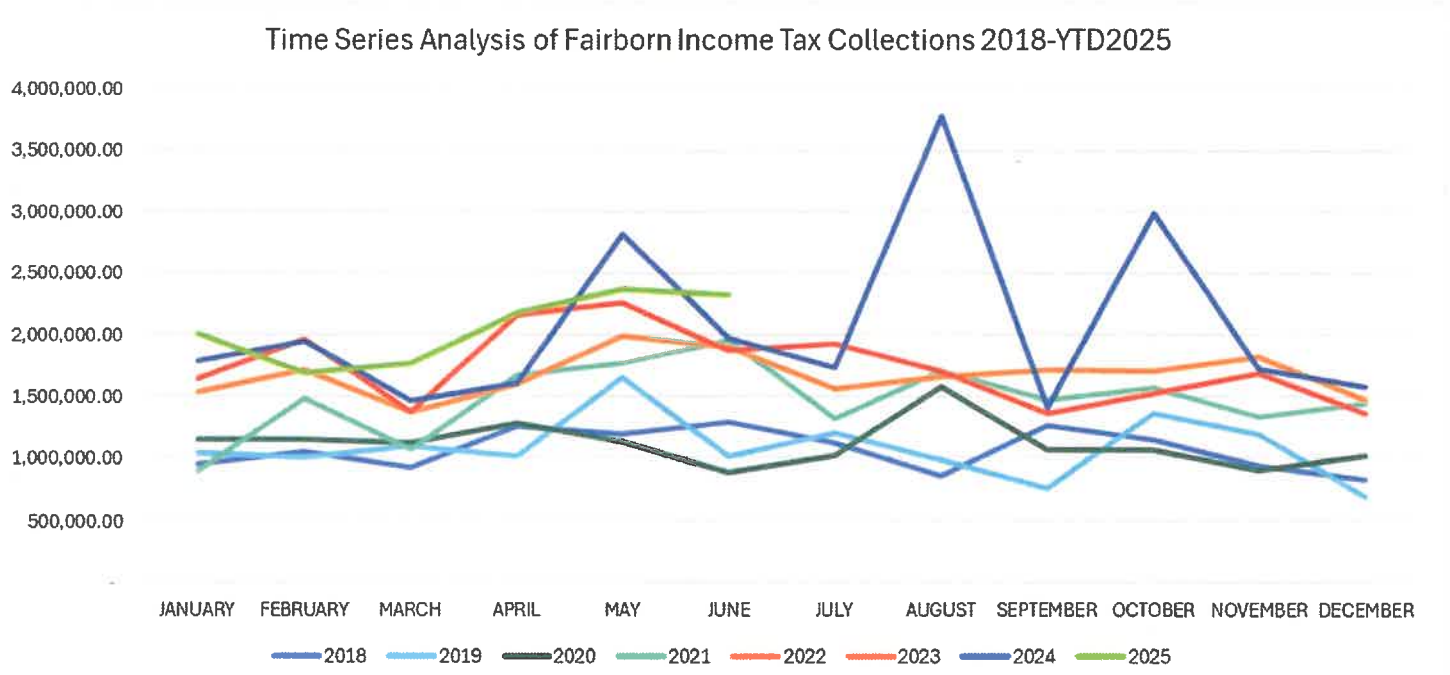
- Charges for services, particularly for Water, Sewer and Sanitation Funds are another major source of revenue.
- Water, Sewer and Storm charges are performing to expectation.
- Fire EMS collections are up in 2025, attributed to the City's new collections vendor EMS/MC.
- Property taxes are performing to the County Auditor's estimate.
- State shared sources increased, as that category includes the 2025 PFAS Settlement. First proceeds came in at $638,655, well below the assumed budget.

**Sources include Transfers-In*
***Uses include Transfers –Out*
**** Reflects 2025 Revised Budget*

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Revenue Trends Over Time: Income Tax

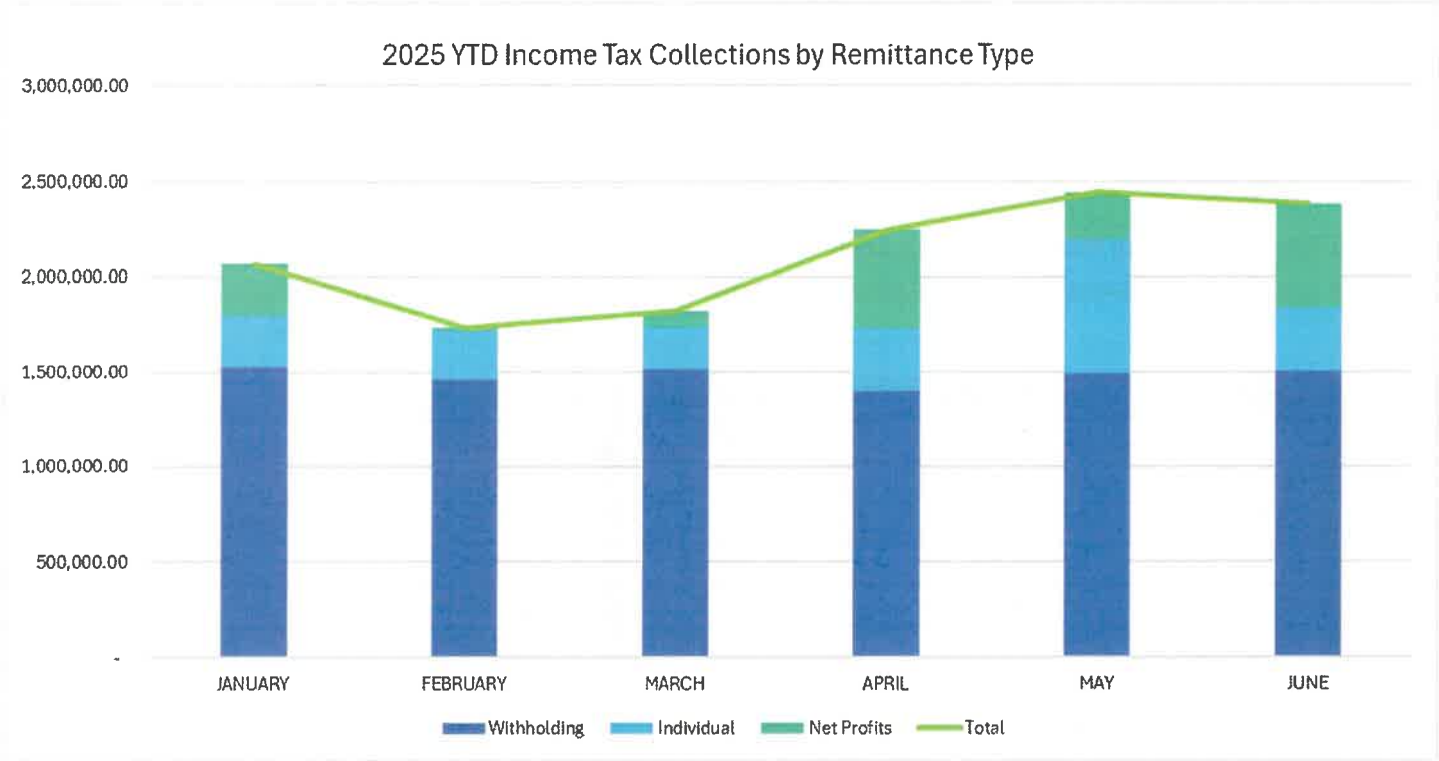
- The City's largest source of funding is Income Tax.
- Collections increased in 2021 with the passage of the additional 1% income tax for Police, Fire/EMS, Streets and Police/Fire Capital.
- 2024 saw spikes in income tax collections from Net Profits.
- 2025 has seen a smoother trendline, with February and May performing below expectation.
- January, March, April performed ahead of the prior year. June was on par with June of FY24.



2015-2024 Reflects Audited Net Tax Collections
2025- Unaudited Net Collections
***Source: Regional Income Tax Authority*

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Revenue Trends Year To Date: Income Tax



- Income Tax is cyclical in nature, with collections peaking during Tax Season and year end.
- Withholding, in dark blue, is the largest component of the City's Income Tax collections.
- Net Profits is the second largest component and Individual payments the smallest.
- Individuals tend to pay April, June and July- the peak months of Tax Season.

2015-2024 Reflects Audited Net Tax Collections
2025- Unaudited Net Collections
***Source: Regional Income Tax Authority*

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YTD Expense Trends: Expense Actuals to Budget

Expense Categories	2024 YTD Actuals	2025 Revised Budget	2025 YTD Actuals	2025 YTD Encumbrances	% Expensed	% Encumbered & Expensed	Available
Capital Outlay	5,724,263.78	14,741,078.30	3,104,796.63	7,439,896.58	21.1%	71.5%	4,196,385.09
Commodities	1,896,270.93	4,715,598.30	1,821,953.37	2,349,042.18	38.6%	88.5%	544,602.75
Contractual Services	11,385,412.78	27,650,057.35	11,469,034.47	8,689,309.39	41.5%	72.9%	7,491,713.49
Debt Service and Advances	10,721,507.14	15,009,856.00	9,885,693.39	3,823,159.97	65.9%	91.3%	1,301,002.64
Personal Services	15,390,339.00	35,640,245.25	15,759,242.10	53,818.79	44.2%	44.4%	19,827,184.36
Transfers-Out	4,075,949.17	9,293,784.70	3,802,607.10	-	40.9%	40.9%	5,491,177.60
Grand Total	**49,193,742.80**	**107,050,619.90**	**45,843,327.06**	**22,355,226.91**	**42.8%**	**63.7%**	**38,852,065.93**

- Personal Services is the City's largest expense outlay. Personnel is 44.2% expensed at this point in the year; 5.8% below budget. Positive budget variance is attributed to vacancies in Police and Fire, plus savings in Health Insurance Costs.
- Commodities and Contractual Services are under budget, but YTD expenses are on par with the prior fiscal year.
- Debt Service is on budget with only one payment (due in August) remaining this year.
- We have reduced Transfers-Out to other funds to conserve budget and cash. Transfers are made when cash balances need to be replenished. A process of automatic transfers had been used in prior years.
- Capital Outlay is only 21.1% expensed as of June, in large part due to the delayed start of Broad Street Phase 3 and the cancellation of the Colonel Glenn project.

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Closer Look: Expenses by Fund

	General Fund	Fire	Police	Public Works & Streets	Water	Sewer	Sanitation
Expenses							
Capital Outlay	330,487.80	195.97	56.00	491,545.37	5,779.66	92,096.51	279.96
Commodities	123,958.82	144,166.96	99,523.31	207,421.43	233,822.22	198,536.68	8,085.53
Contractual Services	2,664,309.95	493,415.37	527,622.00	209,035.76	1,057,559.67	1,459,420.18	1,866,462.61
Debt Service and Advances	-			33,958.68			
Personal Services	3,894,340.08	3,677,830.17	4,172,890.18	520,992.33	818,077.53	892,180.39	88,882.28
Sub-Total Expenses	**7,013,096.65**	**4,315,608.47**	**4,800,091.49**	**1,462,953.57**	**2,115,239.08**	**2,642,233.76**	**1,963,710.38**
Transfers-Out	**2,415,510.00**	-	-	**50,000.00**	**771,657.70**	**511,956.75**	**50,000.00**
Total Uses	**9,428,606.65**	**4,315,608.47**	**4,800,091.49**	**1,512,953.57**	**2,886,896.78**	**3,154,190.51**	**2,013,710.38**

- Based on current trends, the General Fund, Police and Fire have positive budget variances and are likely to come in under budget at the end of the year. Finance will monitor trends closely, with the goal of keeping expenses on pace with revenues.
- Police Fund will require a General Fund subsidy, currently budgeted at $2.7M. They are projected to need about $2.0M of the $2.7M budgeted.
- Water Fund expenses are performing to budget, but fund balances are running low. A rate increase is needed for revenues to keep pace with expenses, particularly because of inflation experienced in labor, chemicals, commodities and capital.
- Sewer and Sanitation are expenses are both performing to budget. FY2025 expenses are expected to break even with revenues.

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Questions?