CITY OF FAIRBORN
SPECIAL COUNCIL MEETING
October 13, 2025, at 5:00 p.m.
Spark, 305 W. Main Street

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

Adkins, Barker, Browning, Cappelli, Davis, Gebhart, Hunt, Litteral, McClure, Roman, Taylor, and Williams.

2026 BUDGET DISCUSSION

Mike Gebhart, City Manager, welcomed everyone to the fiscal year 2026 Budget Meeting. He explained before Council is a packet the Finance Department has put together and then the power point presentation.

He explained they would do things a little bit different this year. He would book end this and speak during the beginning and talk at the end and occasionally throughout. The Finance team between Hilary and Jill would do the bulk of the presentation. It will look different than it has in the past. Since 2008, they have done it based on the way that Randy Groves handled things and then Annetta Williams, who worked with Randy. There are going to be some tweaks. So, it is ok if at some point Council has a question they should certainly ask. He introduced Janel Regelski. He reviewed the agenda for the meeting to include:

- Budget Development Process
- 2026 Revenues
- 2026 Expenditure Budget
- Financial Outlook

He reviewed the City Council Goals designed during the 2025 Council Retreat:

- Prioritize Public Safety
- Enhance the Quality of Life in Fairborn
- Improve community trust through transparency and engagement initiatives.

- Create an environment that fosters growth for the residents, businesses and visitors of the City of Fairborn and enables the emergence of new opportunities for all.
- Support City Staff in daily operations and strengthen efforts to develop, retain, and recruit top public service talent in the region.
- Promote environmental sustainability and resilience.

Mr. Gebhart reviewed the attached slide labeled Approach to the 2026 Budget Process.

Hilary Browning, Finance Director, and Janell Regelski, continued the presentation reviewing several slides. The entire power point presentation is attached as Exhibit "A."

Hilary Browning also discussed the possible repercussions the current government shutdown might have on collection of funds which could affect the budget next year. Finance will remain conservative on their budgetary outlook.

Mike Gebhart, City Manager, asked if anyone needed to take a break and if not, they would continue the presentation.

Beth Cappelli, Municipal Court Judge, stated just a couple of things to know on the budget highlights. Again, they have 14 staff members that help the Clerk of Courts. They do not have all those positions filled although they are allocated in the budget. Another thing to note is they do use probation funds, and it is called the IDAP fund which comes from people who have OVI's and DUI's. When they pay their fines it goes into a fund and that comes back to the courts. They can only use that money for certain things. They did open it up that if they have a surplus, which they do, that money can be used for a portion of their probation officer's salary. Just to let them know 66% of the judge's salary is paid by the State of Ohio, the City pays about $35,000 and the county pays about $25,000. They did apply for a grant and a portion of one person who is a probation officer with the drug court, about $25,000 for two years has been paid by this grant which ends June 3, 2026. Melissa Litteral, Clerk of Courts, continued with the rest of the presentation keying on the Municipal Court Budget highlights.

Mayor Kirkpatrick asked the condition of the Court building. Judge Cappelli stated she grew up here, and she can remember it in 1959, and she has no idea how long that building is meant to last. She stated they don't have leaks, and it is painted and it looks nice. It feels like a court when you walk into it. They have had people comment on that. Mrs. Litteral said maintenance does a great job of keeping them operating.

Councilman McCubbins asked if they use tech services. Judge Cappelli said they do e-notices whenever they can. Most of the time they receive e-notices. They have been doing that for a few years. They did that during Covid.

Councilman Allen asked if there has been any thought to with first time offenders for speeding, he knows some communities have them do this online course and then there are funds that go back to a municipality. Are there any thoughts about that? He does not know the pros or cons of it. Judge Cappelli stated she has considered it. The first priority is to administer justice.

Hilary Browning, Finance Director, reviewed the remaining slides to include:

- Government Finds: Sources and Uses 2022-2026 Budget
- Enterprise Funds: Sources and Uses 2022-2026 Budget
- Internal Service Funds: Sources and Uses 2022-2026 Budget
- Financial Outlook: All Funds Forecast Through 2031

Mike Gebhart, City Manager, stated he knows this looks different than what they have seen in the past. He will say there are some growing pains right now, but he thinks staff will agree that we will be far better off in the next two to three years than we were prior. As we move forward this will become more familiar with all of you. We will be bringing this to Council earlier and maybe over two meetings. In the future, Council will receive it, then they will go over it and then they will bring it back for another work session as well. He appreciated everything that Finance has done, and his directors have gone above and beyond with their budgets this year to trim them where they needed. He thanked all the department directors. He continued by reviewing the slide about Looking Ahead to Future Budget Years.

Mr. Gebhart called for any questions from Council. If there are any requests for information or changes to the budget he would like to have those no later than October 24, 2025. That gives them about two weeks to share questions, comments, or concerns. Anything that may need to be updated please give that to Hilary, Janell, and him by October 24, 2025, and they will do their best to incorporate those and respond back to the comments to all of Council. They will move for November 3, 2025, being the first reading of the budget. Then we will come back two weeks later and have the second reading and the public hearing on it. Hopefully, Council will approve it that night and that gives us the 30 days before January 1, 2026, for the budget to become effective. If we do not get to that point and we must have a third reading that is when we may have to call a special council meeting for an off Monday, so probably the fourth Monday in November to come back and have the third reading to approve the budget so we have the 30 days for the budget to go into effect prior to January 1, 2026. He thanked Hilary and Janel for their hard work through the weekend to make sure the presentation was ready to go.

Deputy Mayor Reaster stated she liked the format.

Councilman Allen thanked the directors for living out the task of reducing the budget over the next year and foregoing some projects. Those are hard things to do when you think about a budget. He also appreciates the extended time Council has to review the budget next year as well. It is important they are fiscally responsible.

Councilman McCubbins stated he would reach out with any questions he may have. Mrs. Browning stated she would be happy to address any questions.

Councilwoman Chess stated the presentation was thorough and answered any questions she had. She thanked the staff and City Manager for their hard work.

Councilwoman Stanton likes the new format. She thanked everyone for their hard work.

Mayor Kirkpatrick especially liked the pie charts in the presentation. He thanked Penny and Julie for the great food tonight. He thanked Mike McNamee for his work as the City

Solicitor. He thanked the directors. We have the best police and fire departments in the state.

Mike Gebhart, City Manager, stated they are all concerned about property taxes. This weighs heavily on the discussions that we have. He will tell them again all the directors are here. Usually, they sit through this process and next year they are going to try to include them more in next year's presentation. They are the ones that must operate in these guidelines. They need all the credit in the world also because they are the ones who make it work.

ADJOURNMENT

Councilwoman Chess moved to adjourn the meeting. Councilman McCubbins seconded. Yeas, seven: Chess, McCubbins, Allen, Chess, Fritzsche, Stanton and Kirkpatrick. Nays, none. Motion carried. The meeting was adjourned at 6:42p.m.

MAYOR

CLERK, CITY OF FAIRBORN

City of Fairborn 2026 Budget



FAIRBORN
A CITY IN MOTION

Today's Agenda:

1. Budget Development Process
2. 2026 Revenues
3. 2026 Expenditure Budget
4. Financial Outlook

City Council Goals for 2026

1. Prioritize Public Safety.
2. Enhance the Quality of Life in Fairborn.
3. Improve community trust through transparency & engagement initiatives.
4. Create an environment that fosters growth for the residents, businesses and visitors of the City of Fairborn and enables the emergence of new opportunities for all.
5. Support City staff in daily operations and strengthen efforts to develop, retain, and recruit top public service talent in the region.
6. Promote environmental sustainability and resilience.



FAIRBORN
A CITY IN MOTION

Approach to the 2026 Budget Process

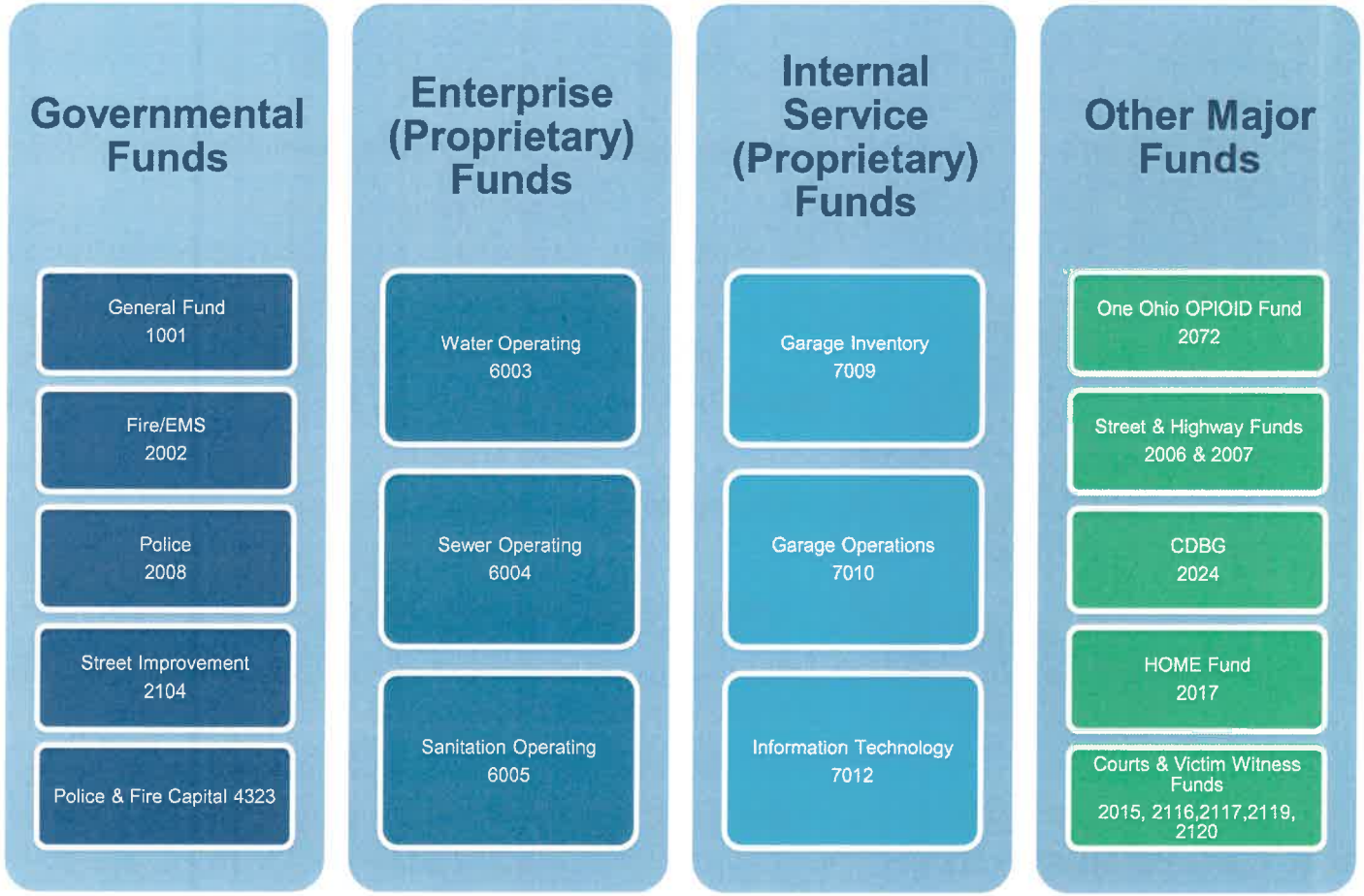
- The budget process started in May, with the creation of the 2026-2030 CIP.
- In July, we created a Budget Team in the Finance Department to lead the 2026 Budget Process. The team comprised of the Finance Director, Assistant Finance Director Janel Regelski, Payroll Administrator Glyn Smith and Finance Specialist Jenny Abling.
- As a team, we could collaborate effectively with Departments and with each other.
- Throughout August and September, Departments and the Finance Department analyzed the City's current expenses and revenues. A baseline was created for Personnel and Non-Personnel Costs for every fund.
- The City Manager, Finance and Departments evaluated purchase orders, analyzed income tax and revenue collections, calculated payroll variances and inventoried City needs.
- All Departments contributed by meeting with staff, taking a deeper look at their Department finances and bringing a positive attitude to the process.
- The process resulted in reductions in many budgetary categories, not because we are providing fewer services, but because we found a way to make the budget more accurate.

	2024	2023	2022	2021
Actuals	93,415,109	83,849,872	81,472,508	76,590,286
Revised Budget	105,756,561	103,134,865	96,965,293	88,685,300
% Variance	**11.7%**	**18.7%**	**16.0%**	**13.6%**

Prior Year Budget variances have exceeded $10 Million a year

FAIRBORN
A CITY IN MOTION

Major Fund Types in the 2026 Budget

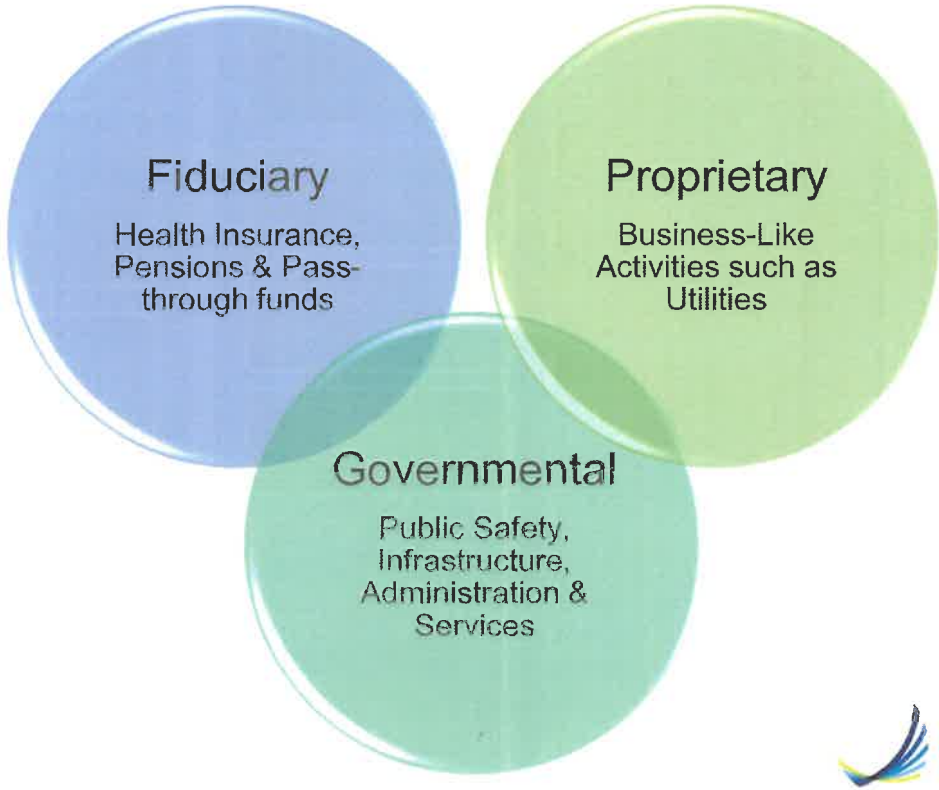


FAIRBORN
A CITY IN MOTION

Presentation Focus

- The City Manager's recommended budget is presented by Fund and "Major Fund" Groupings based on Fund Type.
- The City of Fairborn has 70 Funds. We will present the largest funds, with a focus on Operating Funds, both Governmental and Proprietary.
- We've grouped the funds into three major groupings: Governmental Funds, Enterprise Funds and Internal Service Funds.
- Not being presented: grant funds, fiduciary funds (agency and trust). These funds are included in Council's budget packets.
- This presentation *will not* cover the 2026 CIP budgets. A separate work session was held in August on this topic and the 2026 CIP was adopted via Resolution 38-25.
- Line-item expense budgets and projected revenues for these funds are included in the link sent to Council on October 8, 2025.
- The 2026 budget fully funds the 2026 projects passed via Resolution 38-25.

Government Accounting Standards Board Fund Types



FAIRBORN
A CITY IN MOTION

Overview of 2026 Revenues

All Funds Sources and Uses 2022-2026

All Funds	2022 Actuals	2023 Actuals	2024 Actuals	2025 Original Budget	2025 Revised Budget	2025 YTD Actuals	2025 Projection	2026 Budget
Sources								
General	18,768,616	19,401,587	22,690,448	22,301,012	22,389,683	17,696,918	24,145,400	23,810,800
Fire	7,792,486	9,034,939	8,142,213	9,363,020	9,391,020	7,225,067	9,482,900	10,002,100
Police	7,593,950	9,602,950	9,513,383	8,834,818	8,837,480	6,877,413	8,596,800	9,661,600
Public Works & Streets	8,158,191	6,279,850	7,229,743	7,869,827	9,127,327	4,058,815	8,823,500	9,094,300
Capital	10,482,910	13,190,341	11,902,746	9,647,866	9,639,187	8,930,501	9,884,500	6,480,000
Water	4,149,638	4,368,631	5,177,135	5,127,608	5,127,608	3,432,853	5,149,300	5,708,700
Sewer	6,095,574	5,905,856	6,369,855	6,315,118	6,315,118	4,386,175	6,579,300	6,404,200
Sanitation	3,218,635	3,157,610	3,946,756	4,123,894	4,123,894	2,762,614	4,143,900	4,249,100
Garage	1,656,049	1,678,560	1,655,438	2,130,553	2,130,553	1,568,873	2,353,300	2,063,000
Debt Service	3,178,854	3,095,490	5,405,147	5,232,434	5,489,750	4,534,795	5,489,750	9,273,600
All Other Funds	18,848,293	15,818,060	18,255,957	12,837,331	12,898,315	8,558,251	12,794,795	11,865,100
All Sources	**89,943,195**	**91,533,874**	**100,288,819**	**93,783,481**	**95,469,934**	**70,032,276**	**97,443,446**	**98,612,500**
Uses								
General	15,514,277	19,047,494	19,168,961	22,359,196	23,048,237	12,402,242	22,371,900	24,063,690
Fire	7,928,075	7,969,432	7,985,038	9,978,634	10,072,997	6,863,855	8,764,600	10,132,693
Police	8,851,346	8,421,587	7,997,673	10,570,065	10,676,224	6,396,454	9,538,500	10,343,049
Public Works & Streets	7,590,747	4,750,053	7,308,718	9,671,948	9,655,721	2,025,527	8,529,700	8,079,740
Capital	10,890,318	11,823,309	10,799,360	11,792,978	12,747,485	9,067,526	11,181,000	8,075,354
Water	4,700,641	4,494,527	4,962,171	5,507,993	5,644,261	3,385,044	4,805,100	5,303,474
Sewer	5,549,202	6,070,173	7,028,928	7,350,243	7,629,509	4,029,409	5,643,500	6,997,133
Sanitation	3,144,608	3,369,648	3,724,043	4,177,215	4,198,121	2,531,974	3,835,800	4,441,296
Garage	1,677,432	1,737,512	1,726,971	2,148,422	2,158,514	1,163,083	2,072,500	2,058,050
Debt Service	3,086,226	3,095,778	5,404,397	5,261,065	5,261,065	5,518,381	5,261,065	11,387,896
All Other Funds	12,539,635	13,070,360	17,308,849	13,456,826	15,567,269	5,666,985	13,456,826	10,844,646
All Uses	**81,472,508**	**83,849,872**	**93,415,109**	**102,274,585**	**106,659,404**	**59,050,480**	**95,460,491**	**101,727,021**
Sources Over(Under)/Uses	**8,470,688**	**7,684,002**	**6,873,710**	**(8,491,104)**	**(11,189,469)**	**10,981,796**	**1,982,955**	**(3,114,521)**

**Sources include Transfers-In*
***Uses include Transfers –Out*
**** Reflects 2025 Unaudited Balances*

FAIRBORN
A CITY IN MOTION

Closer Look: Sources & Uses 2025 & 2026

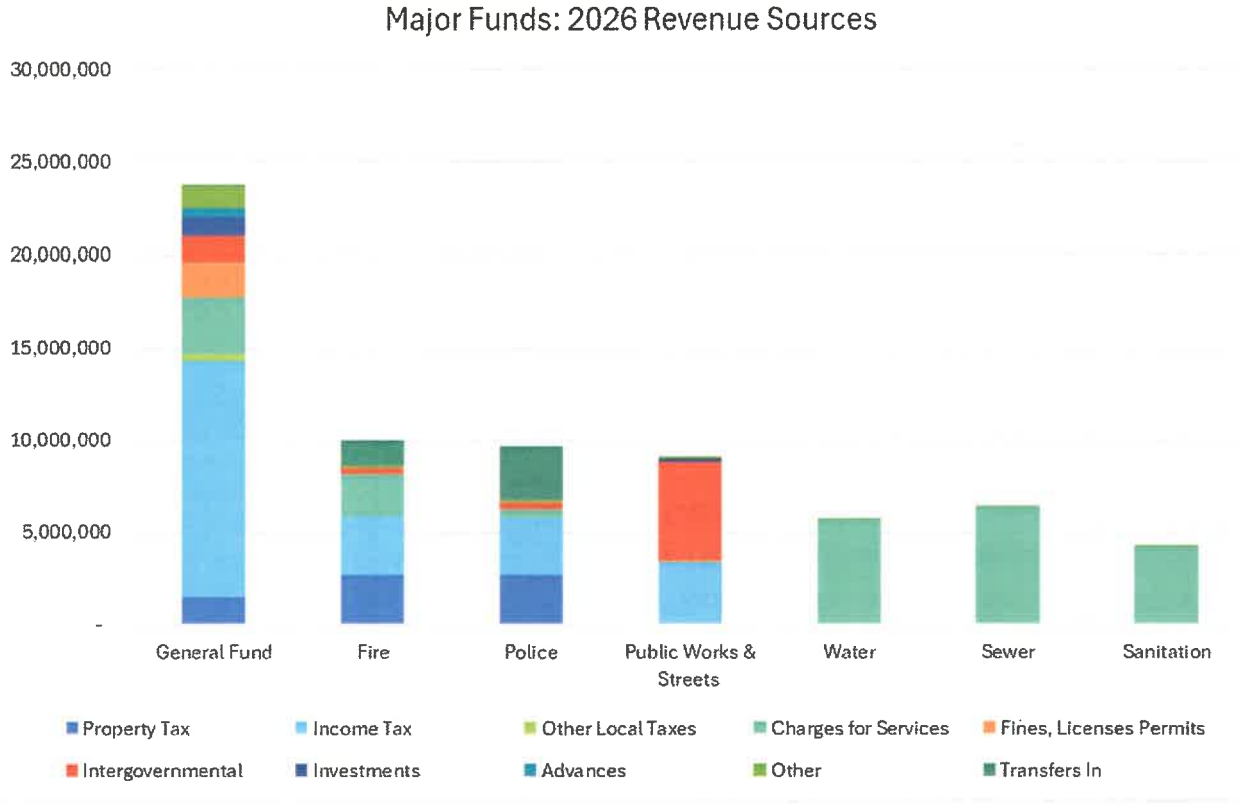
All Funds	2025 Original Budget	2025 Revised Budget	2025 YTD Actuals	2025 Projection	2026 Budget
Sources					
General	22,301,012	22,389,683	17,696,918	24,145,400	23,810,800
Fire	9,363,020	9,391,020	7,225,067	9,482,900	10,002,100
Police	8,834,818	8,837,480	6,877,413	8,596,800	9,661,600
Public Works & Streets	7,869,827	9,127,327	4,058,815	8,823,500	9,094,300
Capital	9,647,866	9,639,187	8,930,501	9,884,500	6,480,000
Water	5,127,608	5,127,608	3,432,853	5,149,300	5,708,700
Sewer	6,315,118	6,315,118	4,386,175	6,579,300	6,404,200
Sanitation	4,123,894	4,123,894	2,762,614	4,143,900	4,249,100
Garage	2,130,553	2,130,553	1,568,873	2,353,300	2,063,000
Debt Service	5,232,434	5,489,750	4,534,795	5,489,750	9,273,600
All Other Funds	12,837,331	12,898,315	8,558,251	12,794,795	11,865,100
All Sources	**93,783,481**	**95,469,934**	**70,032,276**	**97,443,446**	**98,612,500**
Uses					
General	22,359,196	23,048,237	12,402,242	22,371,900	24,063,690
Fire	9,978,634	10,072,997	6,863,855	8,764,600	10,132,693
Police	10,570,065	10,676,224	6,396,454	9,538,500	10,343,049
Public Works & Streets	9,671,948	9,655,721	2,025,527	8,529,700	8,079,740
Capital	11,792,978	12,747,485	9,067,526	11,181,000	8,075,354
Water	5,507,993	5,644,261	3,385,044	4,805,100	5,303,474
Sewer	7,350,243	7,629,509	4,029,409	5,643,500	6,997,133
Sanitation	4,177,215	4,198,121	2,531,974	3,835,800	4,441,296
Garage	2,148,422	2,158,514	1,163,083	2,072,500	2,058,050
Debt Service	5,261,065	5,261,065	5,518,381	5,261,065	11,387,896
All Other Funds	13,456,826	15,567,269	5,666,985	13,456,826	10,844,646
All Uses	**102,274,585**	**106,659,404**	**59,050,480**	**95,460,491**	**101,727,021**
Sources Over(Under)/Uses	**(8,491,104)**	**(11,189,469)**	**10,981,796**	**1,982,955**	**(3,114,521)**

- In 2025, the budget plan called for a large use of cash balance. The 2025 Projection shows a positive ending balance, due to expenditures performing under budget and revenues performing over budget, driven by Income Tax, PFAS proceeds and Earned Interest Proceeds.
- Because we project to end the year positively, cash balance is available in 2026 to help fund Capital and Debt paydowns.
- The City's Cash Reserve policy states that surplus reserves should be used for Non-Operating Costs.
- In the 2026 Budget, Use of Cash reserve is utilized for Transfers-Out from the General Fund to General Bond Retirement.
- If there is a reduction in revenues from our three major categories at the end of 2025, or in 2026, there would be a reduction in cash balances available for future years.

FAIRBORN
A CITY IN MOTION

Fairborn's Major Revenue Sources

- Fairborn's largest source of revenue is Income Tax, accounting for 35% of operating funding in the 2026 Budget. Income Tax supports the General Fund, Street/Roadway improvements, Police, Fire/EMS, and Police and Fire CIP.
- Charges for Services account for 34% of 2026 Operating Revenues, of which Utility Fee Revenues (Water, Sewer, Sanitation) are the majority ($16.3 million). Enterprise revenues can only be utilized toward the operation and betterment of our utility systems.
- Intergovernmental Revenues are another large category, 11.5% of operating revenues. There are multiple sources: Local Government Fund, State of Ohio permissive taxes, Gas Tax, Motor Vehicle Tax, MVRPC, OPWC and other shared taxes. The LGF is dedicated to the General Fund, while the remainder is restricted toward roadway operations and improvements.
- Excluding Transfers, Property Tax accounts for 10.6% of operating funding in the 2026 budget.



FAIRBORN
A CITY IN MOTION

Revenue Overview: Income Tax

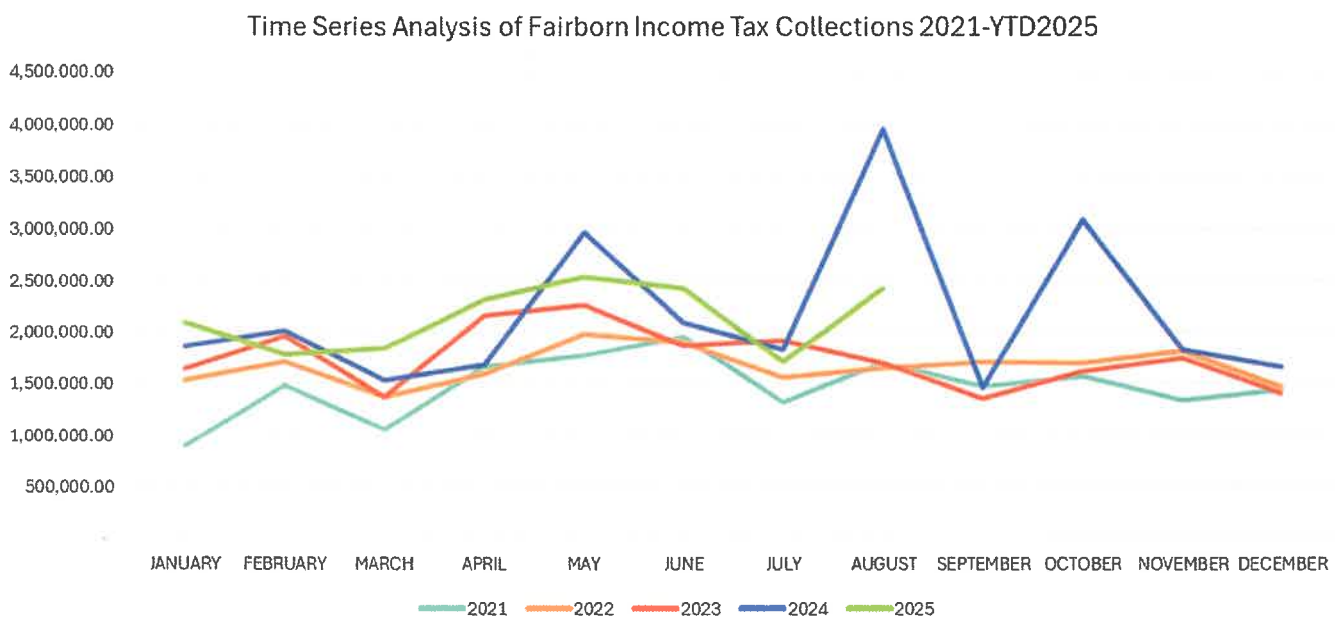
- The City's largest source of funding is Income Tax.
- Collections increased in 2021 with the passage of the additional 1% income tax for Police, Fire/EMS, Streets and Police/Fire Capital.
- Income Tax collections are comprised of three types: Individual Withholding, Individual Non-Withholding, and Corporate Income Tax (sometimes called Business Profits Tax).
- In 2024, revenue performance exceeded expectations.
- In 2025, revenues have not kept pace with 2024 collections. We project Income Tax will perform at least 1.5% below 2024 actuals.
- For 2026, we assume a modest 2% increase, calculated from 2025's reduced projection.

Calendar Year	Individal Withholding	Individual Non-Withholding	Sub-Total Individual	Corporate Income Tax	Total	Tax Rate
2015	9,642,019	1,631,346	11,273,365	810,618	12,083,983	1.50%
2016	10,150,511	1,713,279	11,863,791	945,577	12,809,368	1.50%
2017	9,969,146	1,741,136	11,710,282	1,077,302	12,787,584	1.50%
2018	10,155,797	1,738,788	11,894,585	1,273,677	13,168,262	1.50%
2019	10,424,865	1,993,219	12,418,084	946,404	13,364,488	1.50%
2020	10,894,417	1,880,815	12,775,232	976,159	13,751,391	1.50%
2021	13,965,251	2,093,610	16,058,861	2,132,292	18,191,153	2.00%
2022	15,020,692	3,092,333	18,113,026	2,506,793	20,619,819	2.00%
2023	15,799,045	2,987,883	18,786,928	2,726,032	21,512,960	2.00%
2024	17,045,049	3,208,415	20,253,464	5,279,182	25,532,646	2.00%

2015-2024 Reflects Audited Tax Collections on GAAP Basis

FAIRBORN
A CITY IN MOTION

Closer Look: Income Tax Trends



	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
Withholding	1,529,395.39	1,456,793.91	1,517,302.61	1,395,465.88	1,493,959.47	1,506,478.96	1,170,552.28	1,627,746.90
Individual	265,394.44	258,722.53	215,904.87	335,372.72	700,645.05	327,666.14	326,786.71	131,849.48
Net Profits	275,379.14	18,513.54	86,274.92	512,283.22	248,452.96	547,581.40	153,971.02	537,233.44
Total	**2,070,168.97**	**1,734,029.98**	**1,819,482.40**	**2,243,121.82**	**2,443,057.48**	**2,381,726.50**	**1,651,310.01**	**2,296,829.82**

- The year over year trends suggest 2025 collections are below 2024, but above 2023's trendline.
- In 4th Quarter 2025 through Fiscal Year 2026, close monitoring is needed.
- The City's Income Tax collections are heavily influenced by the defense industry. Reductions in force or a prolonged Federal shutdown could impact collections in the 4th Quarter of 2025 through 2026.
- In 2025, Net Profits were also tied to local defense and manufacturing activities. Reductions in profits would also impact future collections.

FAIRBORN
A CITY IN MOTION

Closer Look: Property Tax

- Property Tax Rates and Amounts were accepted by Council via Resolution 40-25.
- Taxes collected in Calendar Year 2026 are based upon values calculated in Tax Year 2025.
- 2026 is the last year of collections for both 4.4 mill Fire and Police levies. Renewal is required for both, every 5 years.
- In Total, total property taxes in 2026 are projected to be $6.865mm.
- The General Fund is budgeted to receive $1.469mm in property taxes in 2026.
- Fire is budgeted to receive nearly $2.7mm and Police is budgeted to receive nearly $2.7mm

		Base Year	Last Voted	Period	AG/RES Effective Tax Rate TY2025	COM/IND Effective Tax Rate TY2025	Total Estimated Value TY2025	CY2026 Official Cert of Est Res Tax Cert
Fairborn City								
1.90	General (A02)	n/a	Inside	n/a	1.900000	1.900000	777,064,960	1,417,000
0.80	General (B41 & M51)	n/a	Inside	n/a	0.800000	0.800000	65,975,210	51,000
0.65	General (M51 & M52)	n/a	Inside	n/a	0.650000	0.650000	844,390	1,000
3.35	Total General				3.350000	3.350000		1,469,000
0.30	Police Pension	n/a	Inside	n/a	0.300000	0.300000	843,884,560	243,000
0.30	Fire Pension	n/a	Inside	n/a	0.300000	0.300000	843,884,560	243,000
4.40	Fire	2011	11/2/2021	2021-2025	2.733406	3.928327	843,884,560	2,455,000
4.40	Police	2011	11/2/2021	2021-2025	2.733406	3.928327	843,884,560	2,455,000

Source: Greene County Auditor's Office

FAIRBORN
A CITY IN MOTION

2026 Budget: Major Revenues By Fund

	General Fund	Fire	Police	Public Works & Streets	Water	Sewer	Sanitation	Total
Revenues								
Property Tax	1,469,000	2,698,000	2,698,000	-	-	-	-	6,865,000
Income Tax	12,836,771	3,198,443	3,198,443	3,408,443	-	-	-	22,642,100
Other Local Taxes	334,300	-	58,000	-	-	-	-	392,300
Charges for Services	3,088,900	2,260,000	260,000	-	5,688,700	6,377,200	4,247,600	21,922,400
Fines, Licenses Permits	1,882,100	2,000	7,500	50,000	-	-	-	1,941,600
Intergovernmental	1,415,613	300,600	379,322	5,349,540	-	-	-	7,445,075
Investments	1,010,000	-	-	181,300	-	-	-	1,191,300
Advances	500,000	-	-	-	-	-	-	500,000
Other	1,274,100	143,100	160,300	105,000	20,000	27,000	1,500	1,731,000
Sub-Total Revenues	**23,810,784**	**8,602,143**	**6,761,565**	**9,094,283**	**5,708,700**	**6,404,200**	**4,249,100**	**64,630,775**
Transfers In	**-**	**1,400,000**	**2,900,000**	**-**	**-**	**-**	**-**	**4,300,000**
Total Sources	**23,810,784**	**10,002,143**	**9,661,565**	**9,094,283**	**5,708,700**	**6,404,200**	**4,249,100**	**68,930,775**

- The chart above provides totals of major revenues by type for operating funds only.
- The General Fund has the most diverse sources of revenue, but it also has the largest expenditure budget.
- Police and Fire are both expected to need operating transfers from the General Fund to support anticipated operating expenses.

FAIRBORN
A CITY IN MOTION

Cash Balance Overview

- Another important factor in determining how much money the City will have available to allocate to the budget is cash on hand.
- Ohio Revised Code specifies a formula for calculating the amount available for expenditure budgets.
- The formula is: (Cash – Encumbrances) + Revenues = Available Sources for Expenditures
- In addition to the State's formula, the City has a 17% cash minimum policy.
- Therefore, the appropriation must leave 17% cash balance available as reserve at all times.

Fund	Beginning Year Balance	YTD Cash Balance as of August 31, 2025	2025 Projected Year-End Cash Balance
General Fund	14,651,149.98	19,945,826	16,424,650
Fire/EMS Fund	2,249,994.38	3,611,206	2,230,111
Public Works & Streets	8,519,427.86	10,552,716	4,298,087
Police	3,417,989.09	3,898,948	3,104,552
Water Operating	1,609,916.89	1,657,486	1,225,201
Sewer Operating	7,143,195.73	7,499,962	6,424,369
Sanitation	880,688.77	1,111,329	2,468,789
Garage	133,132.00	165,337	413,932
All Others	16,631,254.97	17,775,496	20,630,014
Total Cash Balances	**55,236,749.67**	**66,218,306**	**57,219,704**

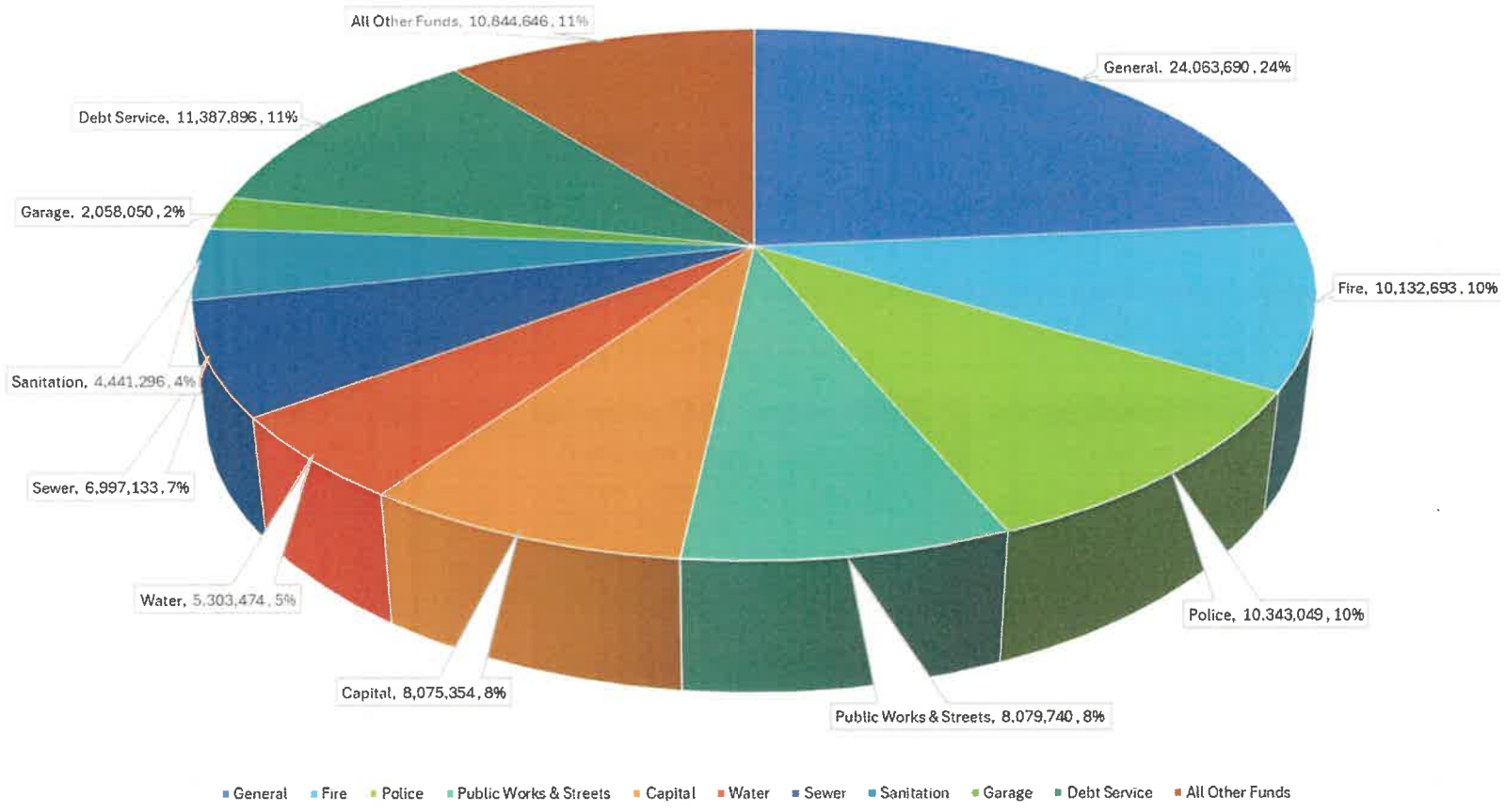
The General Fund cash balance estimate includes a $2.0mm transfer to Debt Service, as well as transfers to Fire and Police

End of Year Cash Balance is projected to be 59% of annual appropriation, a healthy cash balance. Indicating there is enough money saved to dedicate to Debt Service pay off.

FAIRBORN
A CITY IN MOTION

2026 Expenditure Budget

2026 Expenditure Budget at a Glance



FAIRBORN
A CITY IN MOTION

2026 Expense Budget: All Funds Budget by Category

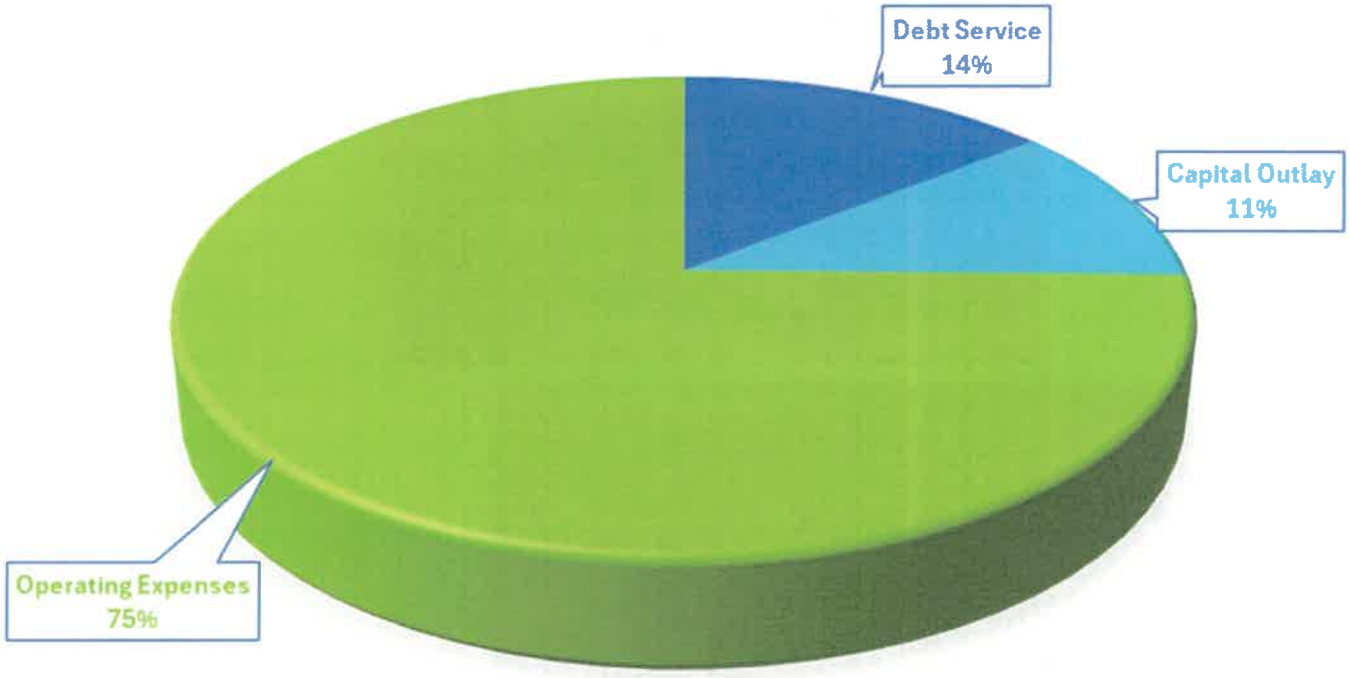
Expense Categories	2025 Original Budget	2025 Revised	2025 YTD Actuals & Encumbrances	2026 Proposed Budget	$ Change 25 Original/26 Proposed	% Change 25 Original/26 Proposed
Capital Outlay	12,624,734.00	14,579,729.54	10,953,977.67	11,272,941.00	(1,351,793.00)	-10.7%
Commodities	4,367,357.00	4,600,258.56	3,948,330.08	4,611,720.15	244,363.15	5.6%
Contractual Services	25,858,394.00	27,531,103.45	21,409,699.40	25,251,006.55	(607,387.45)	-2.3%
Debt Service and Advances	14,823,920.00	15,014,282.46	13,713,278.57	14,467,783.36	(356,136.64)	-2.4%
Personnel Services	35,328,493.00	35,640,245.25	21,484,079.87	34,806,883.00	(521,610.00)	-1.5%
Transfers-Out	9,271,687.00	9,293,784.70	4,577,252.04	11,316,687.00	2,045,000.00	22.1%
Total Uses	**102,274,585.00**	**106,659,403.96**	**76,086,617.63**	**101,727,021.06**	**(547,563.94)**	**-0.5%**

- Overall, the 2026 Proposed Budget is 0.5% less than the 2025 Original Budget.
- The largest change is the reduction in Capital Outlay (CIP) by $1.35mm or -10.7%. This is driven by the conclusion of ARPA and a reduction in the Water CIP due to low fund balance.
- Budget for commodities is up 5.6%, or $244K, due to inflation in prices for utilities, chemicals and supplies.
- Contractual Services budget has been reduced $607K or -2.3%.
- The 2026 Debt Service budget is less than in 2025, but the cash allocated to Debt Service in 2026 is greater than prior years. The budgetary reduction is due to lower interest and Debt Issuance costs, as large pay-downs are planned instead of reissuances.
- This is offset by an increase in Transfers-Out from the General Fund to Debt Service to support the Debt-Pay off Plan. Transfers-Out increase by $2.045mm, or 22.1%. 100% of the increase is for permanent debt retirement.
- Personnel Services costs are reduced $521K or -1.5%. A 3% COLA plus step/merit increase was assumed. This was offset by the assumption of vacancy savings and a 2% Health Insurance increase instead of 8% in FY2025.

FAIRBORN
A CITY IN MOTION

2026 Expense Budget: Operating Expenses Compared to Capital Expenses

- Operating Expenses are 75% of the City's overall spend, with Personnel Services being the largest factor.
- Currently, Debt Service is 14% of the City's spend and Capital Outlay 11%.
- In future years, the City will need to make larger investments in infrastructure due to condition, age and development growth.
- To do so, the proportion of the City's budget dedicated to Debt Service needs to be reduced. This will increase both available cash (by reducing transfers and payments) and create debt capacity for future issuances for large projects.



FAIRBORN
A CITY IN MOTION

2026 Expense Budget: Position Counts

General Fund: 85

Fire/EMS: 53

Streets (2006 & 2007): 12

Police: 76

Courts Operating Grants: 10

Water: 16

Sewer: 17

Sanitation: 5

Garage (7009&7010): 8

Information Technology: 5

All Other Funds: 6

Total Full Time Equivalents (FTEs) in 2026 Budget: 302

Current Filled FTEs as of 10-10-25: 279





FAIRBORN
A CITY IN MOTION

General Fund: Department Allocations

Department	2026 Budget
City Council	238,540
Municipal Court	1,610,839
Clerk of Courts	1,204,120
City Manager	635,283
Finance Administration	979,151
Finance Utility Billing	487,672
Finance Income Tax	846,566
Legal	661,000
Human Resources	571,083
Engineering	784,206
City Planner	850,252
Building Inspection	687,848
Economic Development	553,238
Plant Maintenance	1,449,331
Parks & Recreation	843,746
Transfers- Out (Non Departmental)	11,660,815
Total General Fund Departments	**24,063,690**

- Outside of personnel costs, the General Fund's largest expenditures are Electricity, Natural Gas, Liability Insurance (Non-Departmental) and Transfers-Out to Other funds (Non-Departmental).
- Transfers-Out account for $9.4mm of the $11.6mm allocated to Non-Departmental.
- These transfers are needed for shortages in the Fire/EMS and Police funds, Debt Service payments and transfers to General Capital, Parks & Recreation and Community Development.

FAIRBORN
A CITY IN MOTION

Municipal Court: Budget Highlights

- Revenues for the Municipal Court are generated by Local Court Costs. Revenues are $76 for Criminal cases and $66 for Traffic cases. Civil local costs range from $90 to $150. The Sealing of Record cases also allows $50 to be assessed and distributed to the General Fund.
- Most Court revenues are credited to the City's General Fund. The remainder of the Courts' budget is funded through the City's Income Tax, Property Tax and grants.
- The budget provisions for 18 staff members in the Municipal Court budget, including two (2) Judges.
- There are 14 staff members in the Clerk of Court budget and associated grant funds.
- Court Grant Funds are used for a full-time Probation Officer, as well as a Drug Court Probation Officer. Fund 2118 is also used to offset Probation Officers' salaries and wages.
- 40% of the salaries of the Magistrate, Chief Bailiff and Clerk of Court/Court Administrator are paid by Greene County. The other 60% are paid for by the City.
- State of Ohio funds are also utilized in the 2026 budget for Crisis Intervention programs, such as drug testing and Addiction Treatment programming.
- In General Fund contractual costs, there is an increase in interpreter services based upon current year trends. Interpretation services are required by State Law.
- The Postage budget is also increased in 2026, due to changes in State Law from HB 29.
- Utilities budget, particularly electricity, are increased based upon usage.

FAIRBORN
A CITY IN MOTION

Governmental Funds: Sources and Uses 2022-2026 Budget

Governmental Funds	2022 Actuals	2023 Actuals	2024 Actuals	2025 Original	2025 Projected	2026 Budget
Sources						
General-1001	18,768,616	19,401,587	22,690,448	22,301,012	24,145,400	23,810,800
Fire-2002	7,792,486	9,034,939	8,142,213	9,363,020	9,482,900	10,002,100
Police-2008	7,593,950	9,602,950	9,513,383	8,834,818	8,596,800	9,661,600
Streets- 2104	5,938,454	4,019,530	5,048,495	5,641,627	6,500,600	6,805,283
Police/Fire Capital-4323	4,643,566	4,596,910	5,050,978	4,665,757	4,669,200	4,854,643
Total Sources	**44,737,072**	**46,655,916**	**50,445,517**	**50,806,234**	**53,394,900**	**55,134,426**
Uses						
General-1001	15,514,277	19,047,494	19,168,961	22,359,196	22,371,900	24,063,690
Fire-2002	7,928,075	7,969,432	7,985,038	9,978,634	8,764,600	10,132,693
Police-2008	8,851,346	8,421,587	7,997,673	10,570,065	9,538,500	10,343,049
Streets- 2104	6,053,852	3,083,668	5,243,916	7,074,127	6,126,200	5,654,112
Police/Fire Capital-4323	4,180,419	5,059,169	4,549,561	5,081,280	4,814,000	5,297,004
Total Uses	**42,527,969**	**43,581,350**	**44,945,148**	**55,063,302**	**51,615,200**	**55,490,548**
Sources Over/ (Under)	**2,209,103**	**3,074,566**	**5,500,368**	**(4,257,068)**	**1,779,700**	**(356,122)**

FAIRBORN
A CITY IN MOTION

Enterprise Funds: Sources and Uses 2022-2026 Budget

Enterprise Funds	2022 Actuals	2023 Actuals	2024 Actuals	2025 Original	2025 Projected	2026 Budget
Sources						
Water Operating-6003	4,149,638	4,368,631	5,177,135	5,127,608	5,149,300	5,708,700
Sewer Operating-6004	6,095,574	5,905,856	6,369,855	6,315,118	6,579,300	6,404,200
Sanitation-6005	3,218,635	3,157,610	3,946,756	4,123,894	4,143,900	4,249,100
Total Sources	**13,463,847**	**13,432,097**	**15,493,745**	**15,566,620**	**15,872,500**	**16,362,000**
Uses						
Water Operating-6003	4,700,641	4,494,527	4,962,171	5,507,993	4,805,100	5,303,474
Sewer Operating-6004	5,549,202	6,070,173	7,028,928	7,350,243	5,643,500	6,997,133
Sanitation-6005	3,144,608	3,369,648	3,724,043	4,177,215	3,835,800	4,441,296
Total Uses	**13,394,452**	**13,934,348**	**15,715,142**	**17,035,451**	**14,284,400**	**16,741,903**
Sources Over/ (Under)	**69,396**	**(502,251)**	**(221,397)**	**(1,468,831)**	**1,588,100**	**(379,903)**

FAIRBORN
A CITY IN MOTION

Internal Service Funds: Sources and Uses 2022-2026 Budget

Internal Service Funds	2022 Actuals	2023 Actuals	2024 Actuals	2025 Original	2025 Projected	2026 Budget
Sources						
Garage Inventory-7009	983,154	985,801	853,600	1,150,565	1,373,312	1,150,565
Garage Operations- 7010	672,895	713,485	801,640	979,988	979,988	912,485
Information Technology- 7012	729,437	871,457	1,059,606	1,385,748	1,385,748	1,503,900
Total Sources	**2,385,486**	**2,570,743**	**2,714,846**	**3,516,301**	**3,739,048**	**3,566,950**
Uses						
Garage Inventory-7009	942,858	1,006,466	880,254	1,142,065	1,116,143	1,142,065
Garage Operations- 7010	734,574	741,197	846,717	1,006,357	956,357	915,985
Information Technology- 7012	948,080	801,216	943,796	1,388,288	1,242,776	1,503,977
Total Uses	**2,625,512**	**2,548,879**	**2,670,767**	**3,536,710**	**3,315,276**	**3,562,027**
Sources Over/ (Under)	**(240,026)**	**21,864**	**44,079**	**(20,409)**	**423,772**	**4,923**

FAIRBORN
A CITY IN MOTION

Financial Outlook

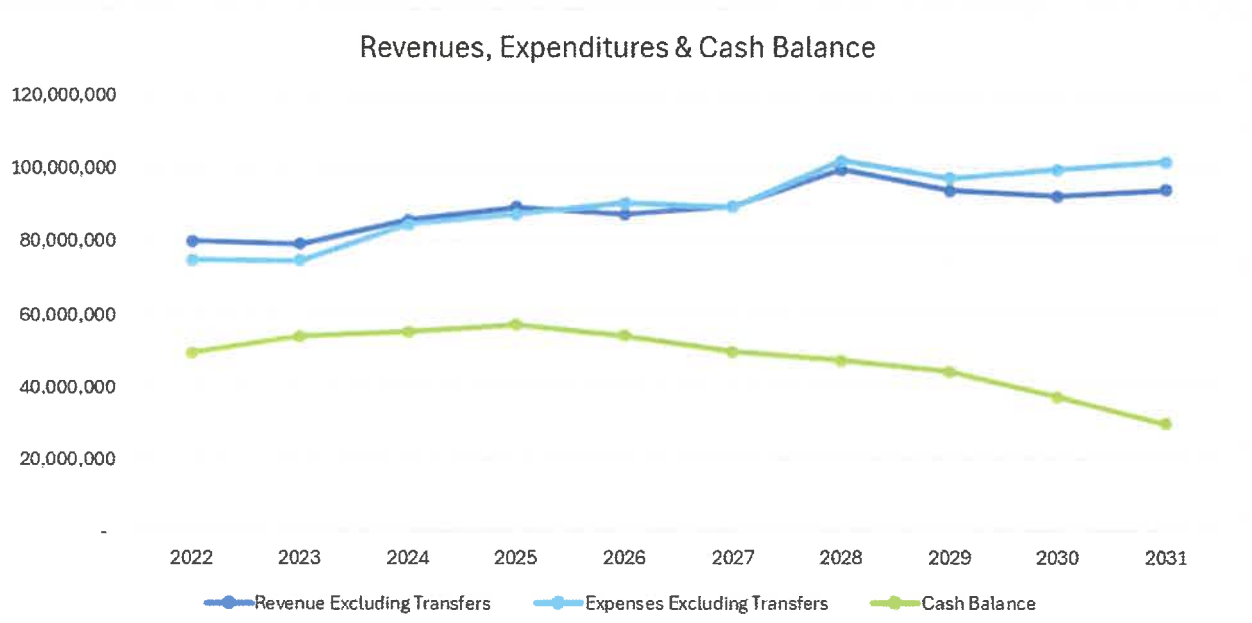
Financial Outlook: All Funds Forecast Through 2031

Summary of Funds	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenue										
General	18,768,616	19,401,587	22,424,106	24,145,400	23,810,800	23,522,324	24,060,100	24,542,452	25,186,833	25,696,619
Fire	7,792,486	9,034,939	8,114,563	9,482,900	10,002,100	9,633,691	9,770,616	9,397,929	9,874,898	10,375,201
Police	7,593,950	9,602,950	9,485,716	8,596,800	9,661,600	9,844,383	9,967,914	10,148,621	10,637,312	11,149,169
Street	8,158,191	6,279,850	7,373,247	8,823,500	9,094,300	7,758,884	7,394,792	7,311,183	7,689,002	7,820,449
Capital	10,482,910	13,190,341	11,902,746	9,884,500	6,480,000	11,267,752	20,038,325	13,202,941	9,577,344	9,721,593
Water	4,149,638	4,368,631	5,177,135	5,149,300	5,708,700	5,745,582	5,803,038	5,861,068	5,919,679	5,978,875
Sewer	6,095,574	5,905,856	6,369,855	6,579,300	6,404,200	6,440,777	6,505,185	6,570,236	6,635,939	6,702,298
Sanitation	3,218,635	3,157,610	3,946,756	4,143,900	4,249,100	4,290,064	4,332,965	4,376,294	4,420,057	4,464,258
Garage	1,656,049	1,678,560	1,655,438	2,353,300	2,063,000	1,809,202	1,863,464	1,919,352	1,976,918	2,036,211
All Other Funds	18,848,293	15,818,060	18,255,957	18,284,545	21,138,700	18,894,574	19,331,241	19,768,778	20,224,942	20,700,249
Transfer Revenue	6,691,939	9,175,728	8,838,464	8,064,887	11,316,687	9,667,829	9,690,453	9,252,747	9,915,350	10,667,428
Total Revenue	**86,764,342**	**88,438,384**	**94,705,517**	**97,443,446**	**98,612,500**	**99,207,233**	**109,067,639**	**103,098,855**	**102,142,924**	**104,644,922**
Revenue w/o Transfers/Advances	80,072,403	79,262,656	85,867,053	89,378,559	87,295,813	89,539,404	99,377,186	93,846,109	92,227,573	93,977,494
Change		1,674,042	6,267,133	2,737,929	489,456	1,274,331	9,860,406	(5,968,783)	(955,932)	2,501,998
% Change		1.9%	6.6%	2.8%	0.5%	1.3%	9.0%	-5.8%	-0.9%	2.4%
% Change - No Transfers			8.3%	4.1%	-2.3%	1.0%	11.0%	-5.6%	-1.7%	1.9%
Expense										
General	15,514,277	19,047,494	19,168,961	22,371,900	24,063,690	23,223,353	23,809,680	23,961,368	25,240,384	26,634,362
Fire	7,928,075	7,969,432	7,985,038	8,764,600	10,132,693	10,019,042	10,458,482	10,919,076	11,401,901	11,908,088
Police	8,851,346	8,421,587	7,997,673	9,538,500	10,343,049	10,089,903	10,788,231	11,257,587	11,749,012	12,263,601
Street	7,590,747	4,750,053	7,308,718	8,529,700	8,079,740	7,320,374	6,456,413	6,196,140	8,789,727	9,067,351
Capital	10,890,318	11,823,309	10,799,360	11,181,000	8,075,354	10,773,459	19,907,519	12,824,299	9,945,776	9,003,720
Water	4,700,641	4,494,527	4,962,171	4,805,100	5,303,474	5,975,107	6,164,055	6,110,795	6,315,686	6,529,102
Sewer	5,549,202	6,070,173	7,028,928	5,643,500	6,997,133	7,577,795	7,787,293	8,002,590	8,223,745	8,453,734
Sanitation	3,144,608	3,369,648	3,724,043	3,835,800	4,441,296	4,405,195	4,539,741	4,678,481	4,821,549	4,969,084
Garage	1,677,432	1,737,512	1,726,971	2,072,500	2,058,050	2,239,160	2,306,294	2,376,060	2,448,571	2,523,945
All Other Funds	15,625,861	16,166,138	22,713,246	18,717,891	22,232,542	17,425,200	19,205,585	19,888,577	20,252,592	20,804,519
Transfer Expense	6,691,939	9,175,728	8,838,464	8,064,887	11,316,687	9,667,829	9,690,453	9,252,747	9,915,350	10,667,428
Total Expense	**81,472,508**	**83,849,872**	**93,415,109**	**95,460,491**	**101,727,021**	**99,048,589**	**111,423,292**	**106,214,973**	**109,188,942**	**112,157,506**
Expense w/o Transfers/Advances	74,780,569	74,674,144	84,576,646	87,395,604	90,410,334	89,380,760	101,732,839	96,962,227	99,273,592	101,490,078
Cash	**49,357,831**	**53,946,342**	**55,236,750**	**57,219,704**	**54,105,183**	**49,648,881**	**47,293,228**	**44,177,110**	**37,131,091**	**29,618,507**
Cash as % of Budget	60.6%	64.3%	59.1%	59.9%	52.5%	49.5%	42.4%	41.6%	34.0%	26.4%
Surplus/(Deficit)	5,291,834	4,588,512	1,290,407	1,982,955	(3,114,521)	(1,084,719)	(2,355,653)	(3,116,118)	(7,046,019)	(7,512,584)

FAIRBORN
A CITY IN MOTION

Financial Outlook: All Funds Forecast Through 2031

- Revenues & Expenses, excluding transfers, are trending close together.
- 2022-2025, Revenues exceeded expenses, which grew cash balance.
- 2026, we plan to use cash balance to pay-down debt service, showing a slight use of cash reserve.
- In 2027, the City's position is projected to improve due to fewer debt obligations.
- The City has healthy cash balances at this time, but we will monitor each fund carefully.
- Cash balance could be reduced if expenses grow at a faster pace than revenues (structural imbalance).
- Should we see imbalances, the current system lacks flexibility to apply available cash balances to areas of need, as each fund balance stands alone. This places pressure on the General Fund to address imbalances with transfers out.



FAIRBORN
A CITY IN MOTION

Looking Ahead: Future Budget Years

- In 2027, we would like to build on this year's success by collaborating with Departments and improving the accuracy of the budget process.
- We would like to align the CIP process and the budget process more seamlessly. This could include a change to the timing of the both work sessions.
- We would like to improve the allocation of CIP to include lifecycle replacement timelines and prioritization of needs. This will help align our needs with the City's available resources and ensure we are replacing aging equipment and infrastructure timely.
- In future years, we will continue to implement Government Finance Officers Association (GFOA) budget principles to the development of the budget.
- Would like to move toward the creation and publication of a budget book. This is a best practice across local governments and would add transparency to our budget. It also provides line-by-line budgetary information in an easy-to-understand format for Council as well as the public.

Questions?