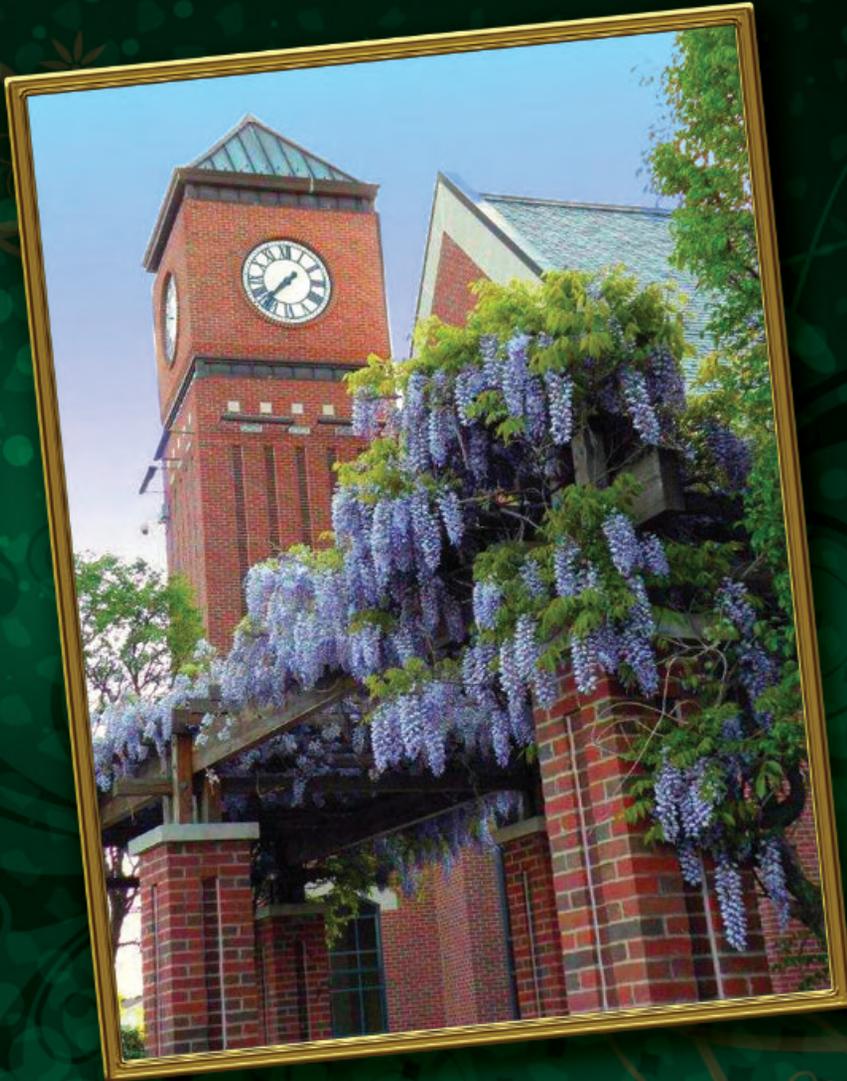


F A I R F I E L D . . .
Picture Perfect



2011 Annual Report • Fairfield, Ohio

Mayor & City Council

The Fairfield that we know and love today has been and continues to be a "City of Opportunity." From its earliest years the city has been guided by a group of elected officials passionate about the community and its potential to be a great place to live, work and play. Countless hours have been devoted over the decades to developing the services and programs that we have come to depend upon, love and appreciate.

Fairfield's government services are directed by elected representatives from diverse backgrounds, each of whom has made a pledge to work for the good of the community. Over the years, their collective vision and passion have created a thriving community.

Addressing a challenge becomes far

more manageable with sound planning. Fairfield City Council, in partnership with city staff, conducts an annual review of the five-year capital plan in an effort to anticipate the community's imminent infrastructure needs. Such planning enables city officials to make informed decisions based on sound financial projections of best and worst-case scenarios.

The City of Fairfield is a charter city operating under the Council-Manager form of government, which combines the strong political leadership of elected officials with the professional expertise of an appointed City Manager. The Mayor is directly elected and serves as the head of government. The City Council consists of seven members, four of whom are elected from wards, three of whom are elected at-large.

City Council is responsible for establishing City policy and enacting legislation to guide the direction of the municipal government. Other responsibilities include the establishment of rates for public utilities and the authority to retain independent, certified public accountants to audit City records. The City Manager serves as the City's chief executive officer, overseeing the day-to-day operations of the City.

During 2011, Fairfield's City Council conducted 47 public sessions, including City Council meetings, Council/Manager briefings, special sessions and public hearings. As a result of public input and careful Council consideration, 143 ordinances and resolutions were adopted during the year.

City Council is comprised of seven committees: Community and Public Relations; Development Services; Finance & Budget; Parks, Recreation & Environment; Public Safety; Public Utilities; and Public Works. Each Council member serves as a chairperson, a vice chair and a member on three separate committees.

City Council and the Mayor are supported by a full-time Clerk of Council who is responsible for agenda preparation, information packets, media notification and record keeping of Council actions and legislative decisions. The Clerk also responds to the information requests of Fairfield's elected officials.



Mayor & City Council Members



Mayor
Ronald A. D'Epifanio



Council Member at Large
Tim Abbott



Council Member at Large
Timothy M. Meyers



Council Member at Large
Michael Oler



Council Member First Ward
Adam B. Jones



Council Member Second Ward
Jeffrey L. Holtegel



Council Member Third Ward
Debbie Pennington



Council Member Fourth Ward
Terry Senger



In Memoriam

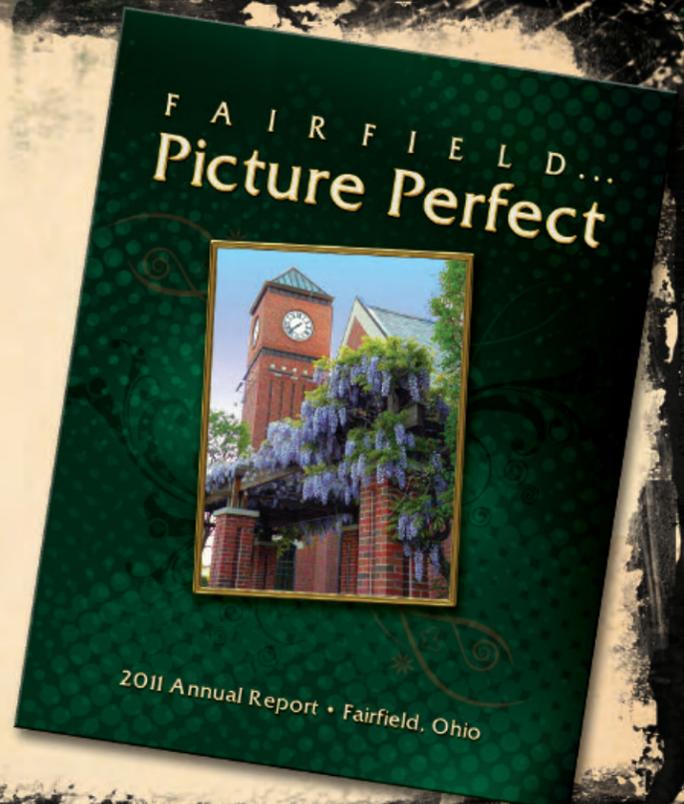
Fairfield's "picture perfect" status is the collective result of dedicated citizens like Robert Wessel, who passed away on February 4, 2012. One of the proponents of incorporation, Mr. Wessel helped to establish Fairfield as a municipality in 1955. He served as the community's first Mayor from incorporation until 1957. He remained active with the City over the years, serving from 1966 to 1975 as Fairfield's City Solicitor, a position now known as Law Director.

Even in death, Mr. Wessel's spirit continues to promote the community, asking that donations be made in lieu of flowers to the community organizations he cherished including the Elisha Morgan Farm Mansion, the Fairfield Historical Society and the Fairfield Community Foundation.

Mr. Wessel's vision and decades of dedication established the course for the community Fairfield is today.

ABOUT THE COVER

The cover photograph is provided courtesy of Carol Mayhall, the City's Human Resources Manager. She snapped the photo last spring when the wisteria growing on the Lane Library arbor was in full-bloom. It is just one of the many "Picture Perfect" scenes that can be found in and around Fairfield.



City
of
Fairfield



Dear Fairfield City Family,

Over the years, the Fairfield community has made thoughtful choices as the needs and aspirations of its residents and businesses have changed. The City has fared well during a variety of challenging times.

In the mid-1950s, as a young village turned city, it faced the opportunities and difficulties of growth and change. Over time, its people persevered through flooding and other weather related issues. During the late 1980s, community and business leaders overcame the loss of the City's once thriving Fisher Body plant and subsequently developed a new, diverse business base; demonstrating resiliency and resolve.

Careful financial planning has paid major dividends since those difficult years; providing the ability to maintain high public service levels as our nation has faced its most difficult financial period since the great depression. The men and women who deliver these services have developed ways to work smarter and "do more with less." For them, it's not about just fixing a water line break; it's about restoring vital service to families. It's not merely about responding to a call for help; it's ensuring that adequate, well trained professionals are always at the ready. What these employees do is important; the zest with which they serve is what sets Fairfield apart.

The pages of this report feature community members and employees whose dedication goes far beyond their job descriptions. It is a reminder of why Fairfield is the community it is today. While this year's Annual Report theme "Fairfield..Picture Perfect" highlights our successes this far, the City continues to be a work in progress. Fairfield's strength will continue to rest in its unique ability to adjust and modify the way in which the business of the City is conducted as it seeks to meet ever changing demands and needs.



Respectfully,

Arthur E. Pizzano
Arthur E. Pizzano
City Manager

Fairfield City Council's Top Goals 2012

- Operate within a fiscally conservative budget.
- Maintain the City's current Aa1 bond rating.
- Ensure necessary reserves to provide service levels that position Fairfield to retain residents.

Progress Toward Council Goals 2011

The past few years have been challenging for families and businesses, as well as municipalities...Fairfield included. Proactive planning and fiscal responsibility have enabled Fairfield to endure these tough economic times. The following is a brief summary of actions taken to meet City Council's goals:

Fiscal Accountability: While residents and businesses may not have noticed any perceivable changes in the service levels or

daily functions of the City, behind the scenes, plenty of work has been undertaken to ensure that Fairfield operates within its available resources. That, alone, is a significant achievement for 2011. The city prepared for lean times by accumulating and maintaining essential financial reserves. The ability to responsibly draw on these reserves has enabled the city to maintain the high service levels expected by residents and businesses during the past few years.

Maintenance of Aa1 Bond Rating: Think of a municipal bond rating as similar to a superior credit score for a household. A high bond rating demonstrates fiscal stability and translates to lower rates for credit. In 2011, for example, the refinancing of existing debt enabled the City to save \$1 million over the next ten years. Retaining an Aa1 rating (fewer than 10% of Ohio communities possess a bond rating of Aa1 or better) is a product of the National Financial Community's confidence in the

City's effective and proactive financial planning practices.

Teamwork: With revenues remaining essentially the same from 2011 to 2012, expenditures need to be in check. Fairfield's employee groups waived wage increases in 2011 and 2012. The City has also attritioned 18 full time positions over the past several years and this has accrued savings approaching \$1.5 million annually. Under the attrition policy, only positions with a critical importance to essential services are filled. Employees have stepped up to take on additional responsibilities and duties due to the reduction of staff.

Pledge to Maintain Excellence: Despite flat revenues and fewer employees, the City of Fairfield continues to provide first-class services, inclusive of public safety, snow removal, street repair and parks and recreation.

Energy Savings: Similar to one's household budget, the City looks for economies to lower operational costs. An initiative first introduced in 2009 continues to provide the City with significant energy savings in 2011. The program is a partnership with Duke Energy Retail Sales that saved \$1.9 million in 2009, \$1.8 million in 2010, and \$1.7 million in 2011. Operational changes within the Public Utilities Department alone resulted in a 20 percent reduction of energy consumption. Other significant savings have been realized by converting traffic signals to LED technology, use of more efficient energy control systems and improved insulation in City buildings.



More Efficient Operations: Fairfield regularly looks for ways to achieve efficiencies as a way to strengthen its financial position. One example is in utility bill collections. With payment delinquencies peaking in 2009 and 2010, revenues for public utility services were experiencing significant strain and increased costs were being incurred for follow-up collection activities. In order to minimize losses, timelines for considering an unpaid account as delinquent were reduced to 45 days past due, with service terminations when an account is unpaid after 60 days.

Efficiencies were also achieved through reduction of overtime

hours, as well as through the reduction of the number of editions of the City newsletter from four to three.

Long Term Adjustments: To provide a sustained source of revenue to address prolonged financial constraints and to better prepare for future cycles of economic downturns, the City has developed a solid financial solution of reapportioning the three funds comprising the City's existing 1.5 percent income tax (Fairfield's rate is among the lowest in the region).

Development Services

National economic trends understandably have a direct impact on development projects within municipalities. Fairfield is no exception. While there were no large-scale industrial or commercial developments initiated in 2011, investment shown on valuations of building permits for smaller projects totaled about \$21 million.

Industrial/Commercial Projects

Safety-Kleen Systems: A leading provider of environmental services, oil re-refining and responsible industrial cleaning solutions, the company initiated construction of a new 12,000 square foot facility on Thunderbird Drive to serve as a regional headquarters. Once completed, 25 jobs will be relocated into Fairfield.

Fisher Park: Two buildings at the former Fisher Body Plant along

State Route 4 were demolished on the north end of the property. The land will be marketed to potential industrial occupants.

Takoda Trails: Located on Kolb Drive behind the Hampton Inn and Cincinnati Mall, this assisted living complex for persons with developmental disabilities began a major redevelopment. The project included the demolition and replacement of several buildings with updated structures.

Retail Projects

Kohl's: Located at the north end of Cincinnati Mall, the popular department store underwent significant interior and exterior renovation during the year. The Fairfield Kohl's is reported to be among the chain's strongest operations in the region.

Verizon Wireless: During 2011, Verizon Wireless opened in a newly

constructed building across from Jungle Jim's.

Automotive Dealerships: Comprising an important part of the State Route 4 business corridor, several automotive dealerships underwent major construction during 2011. **Superior Hyundai** and **Jeff Wyler Nissan** saw major expansions. **Drive Time**, a new dealership, opened following significant renovations to a former dealership. **Fairfield Ford** ceased operations during 2011.

Restaurant Market

Despite the slow economy, the entrepreneurial spirit was alive in Fairfield with the opening of several new businesses. In the Downtown area, new openings include **La Piñata Mexican Restaurant** in the Village Green, **Kidd Coffee** at the corner of Nilles Road and River Road, and **Servatii's Pastry Shop** on Nilles Road across from the Justice Center.

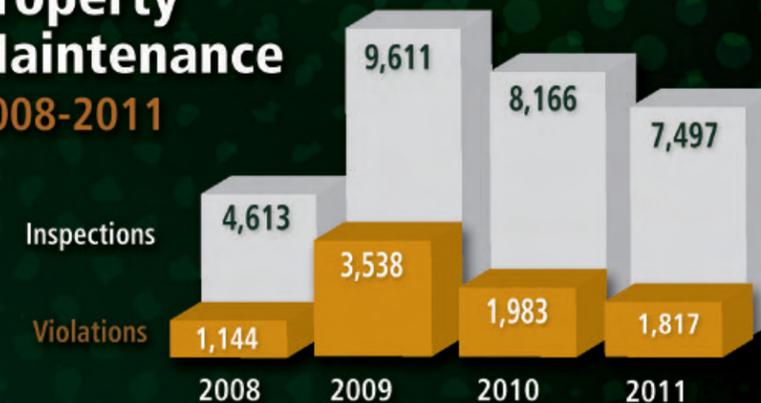
On Route 4, Jungle Jim's welcomed gourmet burger restaurant **Gordo's** to its expanding complex. Further south, on Boymel Drive, **J. Gumbo's** opened with Cajun-style cuisine. The **Olive Garden Restaurant** made a significant investment in renovating its longtime location on State Route 4.

Property Maintenance

During times of economic downturn, property owners sometimes are slow to make repairs. On a wide scale, allowing properties to decline allows blight to occur, negatively impacting the property values and desirability of the entire community.

To ensure property values remain at their highest, Fairfield City Council directed that repairs be maintained in accordance with zoning requirements. Development Services undertakes a systematic inspection of properties,

Property Maintenance 2008-2011

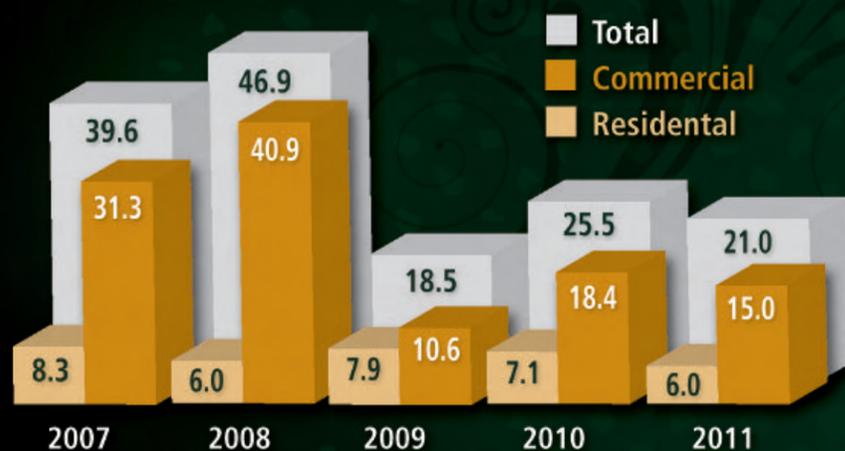


issuing citations when maintenance issues are not addressed. During

2011, 7,497 inspections resulted in 1,817 citations for repairs.

Building Permit Valuation

2007-2011 (shown in millions)



Erin Donovan of Development Services and David Hunt of Building Value stand inside the Huffman Home on John Gray Road. The home is part of a major gift to the City for a new interactive park adjacent to the Fairfield Greens South Trace Golf Course. Building Value deconstructed the home with the goal to reuse 80 percent of the structure in other projects. Use of the materials fits into the overall sustainability parameters established by the Huffman family.



Public Works

What is it that makes Fairfield such a great place to live and work? Certainly the City offers great recreation facilities, safe neighborhoods, and a business friendly staff, but none of these things are possible without a top-notch transportation grid. The crews of the Fairfield Public Works department are dedicated to framing this most important "picture". Crews maintain local roadways, gather brush, clear roads of snow and ice, keep the municipal fleet in good repair, and maintain public facilities.

During 2011, crews resurfaced nearly nine miles of roadways, replaced five miles of curb, and worked 2,813 hours to clear roads of snow and ice. They also gathered more than 10,000 cubic yards of leaves and brush (enough

to bury a professional football field almost six feet deep in leaves and brush).

In addition to day-to-day needs, the Public Works Department is responsible for several major projects:

Bypass 4

Improvements began in 2010 to widen Bypass 4 from State Route 129 southward to State Route 4 in Fairfield. While the Ohio Department of Transportation typically oversees such large projects, Fairfield opted to engineer and construct the project from State Route 4 to just north of Port Union Road. The \$9.2 million project is the largest ever undertaken by the City.

By the end of 2011, work along the

Bypass was completed and efforts began to focus on the intersection with State Route 4, which is projected for completion by Summer of 2012.

Resor Road

The stretch of Resor Road between Winton Road and Pleasant Avenue is much safer thanks to an \$866,964 improvement project undertaken during 2011. The work widened the roadway, eliminated cross slopes and reduced the crest of the hill, which necessitated significant work on underground utilities in the area.

Groh Lane

With an increase of families accessing the sports fields at the north end of the road, crews needed to replace a narrow gravel surface with a paved two-lane roadway. The \$284,979 project offered significant safety improvements for accessing existing facilities and the future Joe Nuxhall Miracle League Baseball Fields (now under construction).

Flood-risk Home Buyout

Over the years, Fairfield has been successful in accessing federal grants to provide buy-out options for properties in areas prone to flooding. A third such grant was finalized in 2011 for \$2.7 million. By the end of 2011, 10 of 17 owners had accepted offers or closed on the sale of their properties.

Public Utilities

Lowest Rates

Not only do residents benefit from one of the purest water resources in the world, they are paying the lowest rate among all water suppliers in southwest Ohio. The City of Oakwood (Ohio) annually surveys 63 local communities, finding Fairfield with the lowest charge for water and the second lowest combined rates for water and sewer.

Infiltration Project Success

In 1990, 60 inches of rainfall caused major sewage backups throughout the City. The problem was so

widespread that Fairfield began a major program to locate and correct infiltration sources of rainfall that overwhelmed the system during heavy downpours.

In 2011, the 20-year program was deemed a success when the area experienced a record 72 inches of rain for the year without a single report of a sewer back-up.

The rainfall did require treatment of a record 2.4 billion gallons of wastewater due to some natural infiltration, however safety measures were successful in preventing residential sewage backups. Efforts will continue to ensure continued success of the on-going program.



First impressions are important. James Price (right) and Doug Young ensure that first impressions of Fairfield's visitors are positive and lasting as they spruce up landscaping and plant flowers around the City's welcome signs. The task is among scores of jobs that Public Works employees undertake annually to ensure that Fairfield remains "picture perfect."

Fairfield residents enjoy a water source that is the envy of the region. The Great Miami Buried Valley Aquifer (the source of Fairfield's water supply) is one of the City's most valuable assets. From deep within a pristine underground aquifer, Fairfield pumped and distributed 1.9 billion gallons of drinking water to residents in 2011. The water is so pure that the City bottles it for limited distribution.

Producing the water is only the beginning. The challenge is in the distribution through a network of 190 miles of water mains. While aging mains are already on a schedule for replacement, crews must address main breaks and answer service requests on demand. During 2011, crews responded to 40 water main breaks, made 51 other major repairs and responded to more than 9,000 customer work orders.

During 2011, employees of the Public Utilities Department volunteered their time to help people in parts of the world where clean drinking water is scarce. The employees hosted the second annual Water for People 5K run/walk, sponsored by the Hamilton to New Baltimore Groundwater Consortium. Running on top of one of the world's purest underground aquifers, 160 participants raised awareness and funding to establish potable water resources for communities in underdeveloped nations. Held at Waterworks Park, the event generated \$6,000, the largest donation in all of Ohio.



Parks & Recreation

There is an old saying that "everyone loves a parade." In a sense the Fairfield Parks and Recreation Department is in the parade business. On any given day residents can choose from an array of recreation programs, including professional productions at the Community Arts Center, swimming at the Aquatic Center, hooking a trout at the Marsh Fishing Lake, or the annual Family Campout in Harbin Park. These are just a few of the options available at Fairfield's 35 parks and recreation facilities.

Community Arts Center

Since the opening of the Community Arts Center in 2005, staff has worked tirelessly to provide highly sophisticated programming, including the attraction of regional, national and international talent. Today, the Center regularly hosts regional programs like the Miami Valley Ballet, the Celtic Festival, and the Community Showcase, which attracted works by 22 artists in 2011.

During 2011, the Center presented the nationally known acts of Tom Rush, Pure Prairie League and Chris Barron; all part of a City

partnership with Mercy Hospital and Sojourner Recovery Services.

More than 68,000 participants took advantage of programs and classes in areas of fitness, dance, pottery, music and theatre. Nearly 12,000 guests attended 190 private events hosted at the Center.

The Center's state-of-the-art theatre was the venue for 94 performances attracting almost 13,000 viewers. Among them were 869 5th graders who were introduced to theatre performances at no cost to them or the schools, thanks to a state grant received by the City.

Economic Impact

Parks programming is far more than just a good time. It is great for the regional economy, too. Local programs such as the Mid-American Soccer Classic (MASC) Tournament, the Bio-Wheels/UCI Cyclocross Race, and British Car Show and Classic Cruise In are estimated to attract at least \$2.1 million dollars to local businesses.

With an eye on helping business in Fairfield prosper, the Community Arts Center has partnered with the Fairfield Chamber of Commerce for the sale of event tickets. Local restaurants are promoted as a suggestion for dining before or after the show when a ticket is purchased.

Heidi Schiller (left), Manager of the Community Arts Center, regularly volunteers with the local community theater. She also volunteers in various capacities with the Fairfield High School Drama Department.



Fairfield Greens South Trace Golf Course

Huffman Park

In 2011 the estate of Harold and Anna Huffman donated 22 acres on John Gray Road to the City. In addition to the property, the donation included more than half a million dollars to develop the site into an interactive nature area with an emphasis on children's education.

Located next to the South Trace Golf Course, the park will transform the southern-most 12 acres fronting on John Gray Road into hands-on educational venues for school-aged youth. The park will promote sustainability, ecology and healthy living. An interpretive pond is proposed to teach children about aquatic life. A play area will allow children to slide down features integrated into grassy mounds, which will also have tunnels to explore and logs on which to climb.

Gardens will be interspersed throughout the park, with areas set aside for community gardens that will enable residents to grow their own vegetables as well as teach children about healthy

nutrition. A walking trail will encircle the property.

The northern ten acres will for now remain in a natural state, with the potential for a "First Tee" youth golf program in the future.

The new Huffman Park is anticipated to open by fall of 2012.

Joe Nuxhall Miracle League Fields

Joe Nuxhall was passionate about kids and his love of the Fairfield community clearly endures in the legacies he left behind. One of those legacies was a dream to

construct a first-class ball field specifically designed for children with developmental disabilities. In 2011, the dream became a reality when the Hatton Foundation pledged a \$500,000 matching grant to get the project underway.

With local businesses already pledging \$675,000 toward the \$2.5 million complex, construction has begun at the north end of Groh Lane, just past Waterworks Park.

Two fields are under construction, one of which is dedicated to the memory of Marine Lance Corporal Taylor Prazynski, a Fairfield resident tragically killed in Karmah, Iraq. LCpl. Prazynski was committed to working with those with developmental disabilities.

The project is sponsored by the Joe Nuxhall Character Education Fund, Therapeutic Recreation for Butler County and the Fairfield Community Foundation.



Miracle League Fields

Fire & Emergency Services

The Fairfield Fire Department is a 24/7 operation, employing highly trained professionals who are ready to respond to any scenario. During 2011, the Department responded to 5,569 calls for help... an average of 15 calls every day.

Of those calls, paramedics responded to 4,611 emergencies, transporting more than 3,000 patients to area hospitals. Fire crews answered 958 fire calls.

Fairfield's average response time for all calls is a shade over 5 minutes. In most cases, crews are

just minutes away from three strategically located fire stations. With Fairfield's call volume, however, units are often finishing a call — or already at the hospital — when another call comes in.

Such is the reality as call volumes remain high and resources remain constant. Yet, Fairfield's dedicated staff finds a way to address the needs with available resources.

Rigorous Training

Between the ongoing calls for service, Fairfield paramedics and firefighters train rigorously in

anticipation of every possible scenario, from unique localized incidents to widespread catastrophic disasters. No scenario is out of the realm of possibilities as crews prepare for the unexpected.

Some training can be undertaken via online courses. Other procedural practice involves life-like situations at the City's training facility on Groh Lane. The facility provides firefighters with a healthy dose of real flames and heat in live burn situations.

During 2011, staff of the Fairfield Fire Department completed 1,106 hours of classroom training covering all aspects of fire and emergency medical services.

New Lifesaving Units

During 2011, the Fairfield Fire Department was awarded a \$162,000 grant from the U.S. Department of Homeland Security. The grant will replace six aging cardiac monitor/defibrillators, each costing about \$30,000.

The units, Lifepak-15s, will be placed in service on three front-line fire engines and each of the paramedic units. The engines are sometimes dispatched if they are closest to a call. The new equipment replaces Lifepak-12 units that are about 10 years old. The new units include state-of-the-art monitors that measure carbon monoxide levels in a patient, as well as cutting edge equipment specially designed for use on infants and young children. The new equipment will be delivered in 2012.

When the Waterford Independent Living Community made a safety-related training request, they talked with Firefighter/Paramedic Shawn May. In addition to his normal workload, this ten-year veteran of the Fire Department sought special training to be certified as a safety educator and offers training to more than 2,000 Fairfield residents annually. It's not a job requirement, but an additional responsibility he offers to further improve the safety of others.



Police Services

Safety and security are paramount to every family. Keeping every resident, every family, every business secure is the priority of the Fairfield Police Department.

While immediate response is available for emergencies and urgent needs, the average time for an officer to respond to all calls is eight minutes from the time of a report to the time of arrival.

The high visibility of officers serves to deter criminal elements. Additionally, the Police Department promotes citizen participation in an active Neighborhood Watch Program which empowers citizens to remain vigilant to crime.

Crime Trends

Crime has trended downward in Fairfield over the past several years. In 2007, 1,723 crime reports for acts of violence and thefts were reported. In 2011, those numbers had declined to 1,398.

In an effort to interact with youth interested in law enforcement careers, the Fairfield Police Department established an Explorers Post in 2011, with 19 high school students immediately joining the organization. Under the direction of Post lead advisor Sgt. Jeff Sprague (upper right), Explorers receive training during which they are faced with real life scenarios. Meeting weekly, Explorer Post 914 is enthusiastically supported by officers who volunteer their time to maximize a \$28,000 three year grant. Grant funding is used to offset the cost of cadet uniforms and supplies.

In Fairfield during 2011, the vast majority of crime was classified as non-violent involving property crimes, such as theft and burglary. Violent crime was also down.

Burglary and thefts comprised nearly 92 percent of Fairfield's crime reports.

In fact, Fairfield's criminal incidents were less than half that of larger Butler County municipalities and below the Ohio average.

Cutting edge technology

License Plate Readers: During 2011, the Fairfield Police Department deployed a third unit that automatically reads license plates while an officer is on patrol. The devices log license plates and can

alert officers when a plate is connected to a robbery or stolen car report.

Data analysis and crime prediction: The department has deployed emerging computer technology along with superior police work to analyze crime data. This enables detectives to develop a profile of future criminal activity. The technology has been successful in predicting the likelihood of a thief to return to an area plagued by automobile break-ins. As anticipated, an individual was reported in the area, prompting officers to respond and make an arrest. In a second case, a suspect was identified as likely to perpetrate a burglary. Surveillance was established, based on the data, prompting an arrest of the suspect in the act of burglary.



The caseload in the Fairfield Municipal Court dropped slightly in 2011, with a total of 8,952 matters before the Court. During 2010, the Court heard a total of 10,225 cases.

The Court presided over 234 serious felony matters, down slightly from the 272 cases in 2010.

Misdemeanor cases also declined from 4,206 cases in 2010 to 4,100 in 2011. Cases involving operation of a motor vehicle while intoxicated continued a steady decline from a high of 691 in 2008 to 424 in 2011.

During 2011, the Fairfield Municipal Court processed 2,951 traffic offenses, down sharply from the 4,087 cases in 2010.

Additionally, the Court adjudicated 1,667 civil and small claims cases in 2011.

The Court reported a total of \$2.85 million in receipts in 2011.

Serving Justice

The Court is far more than just a place where guilt or innocence is determined. In addition to justice being served, today's society expects a sentence that not only



Judge Joyce Campbell

includes help for a defendant, but also is equally fair to taxpayers.

Today's Court has difficult questions to ponder: Does a defendant's violent nature require incarceration in order to protect the public? Is there an effective program that can get a person back on the path to productive citizenship?

Recognizing that people sometimes make bad choices, is a defendant worthy of a second chance?

These are poignant questions that can determine a person's future... or the future of a family whose quality of life depends on the Court's intervention. To that end, several programs have been implemented in Fairfield to balance justice, mercy and the opportunity for a second chance.

While violent offenders face incarceration, non-violent offenders may receive a fine and/or a sentence of monitored house-arrest, mandated participation in therapy/counseling, community service and/or probation.

During 2011, those sentenced to community service provided \$43,848 worth of clean-up work to community entities (calculated at \$7/hour). A comparable jail sentence would have cost Fairfield taxpayers \$46,980 in jail costs (calculated at \$60/day per prisoner).

Monica L. Rose (left) recently earned certification as a court manager following completion of a three year national program. The coursework was not a requirement, but a goal she desired to attain on top of her regular duties. Ms. Rose is administrative assistant to Judge Joyce Campbell.

Amy Ferguson (right), has taken on additional responsibilities and has helped coordinate other court workers to cover the duties of a fellow employee faced with an extended absence due to a serious illness.



City Budgets

The City's total expenditures are contained in two separate budgets: the operating and the capital improvement program budgets. The operating budget process takes about five months to complete, culminating with presentations to Council in November and December. The 2011 operating budget totaled \$64 million.

The capital improvement program budget anticipates capital improvement needs over an extended period, in Fairfield's case it is five years. This budget process takes about three months to complete, culminating with presentations to Council in March and April. The 2011 capital improvement program budget totaled \$23 million with over \$12 million in outside funding.

Formulating and managing budgets during tough economic cycles is obviously more challenging than riding a bull market. Like private entities, governmental agencies must estimate revenues, forecast expenditures and ultimately balance the books. Local government revenue sources, specifically from the state and federal governments, have deteriorated as those levels of government struggle to balance their own budgets.

Every revenue source has a varying rate of return. For example, one of the first indicators of economic recovery can be found in retail consumption. Therefore, governments (such as counties) that rely heavily on sales tax revenues will experience the recovery at a much quicker rate than governments dependent upon property and income taxes. This is because property and income taxes are paid in arrears, thus they recover at a more gradual pace.

Revenue Sources

The City's primary revenue source is the municipal income tax, which totaled \$23.49 million in 2011. The 1.5% income tax is apportioned into three different funds: 1.1% (\$17.23 million) to general operations, 0.2% (\$3.13 million) to street improvements and 0.2% (\$3.13 million) to capital improvements.

Based on the apportionment and the total revenue for 2011, \$17.23 million went to general operations, including police, public works and development services, \$3.13 million went to street improvements, including annual paving, storm

water and concrete repairs, and \$3.13 million went to capital improvements, including building maintenance, fleet and technology replacements.

Expenditures

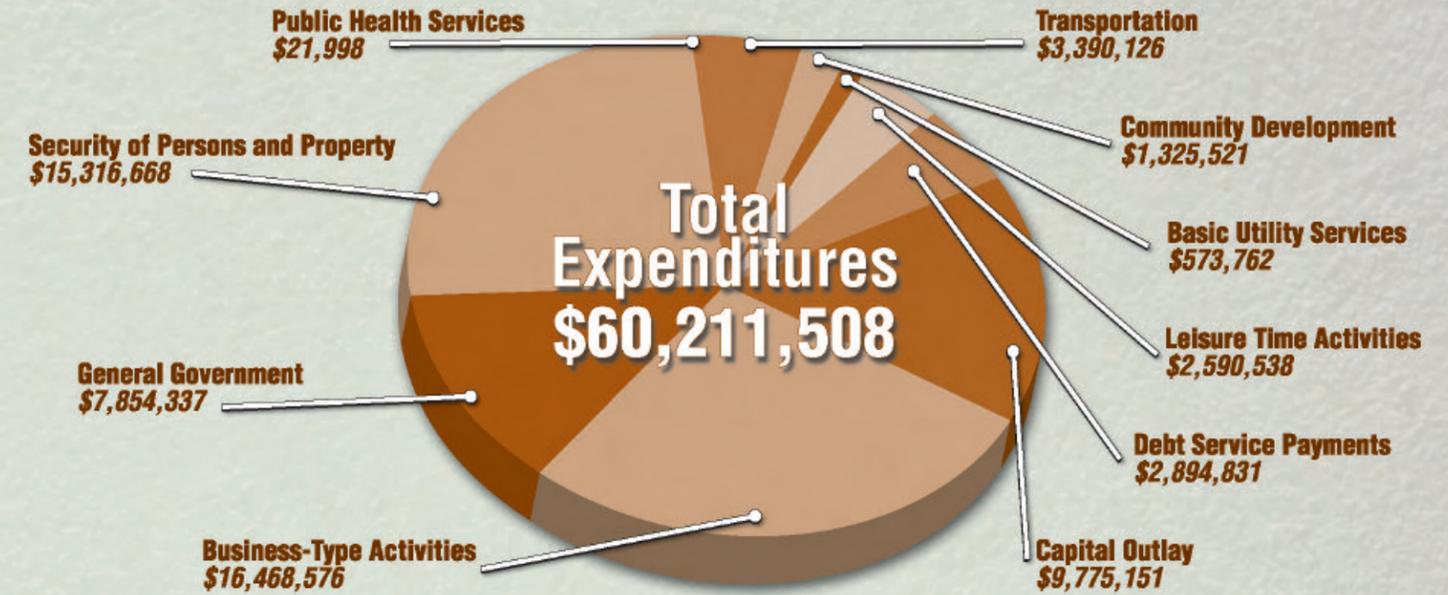
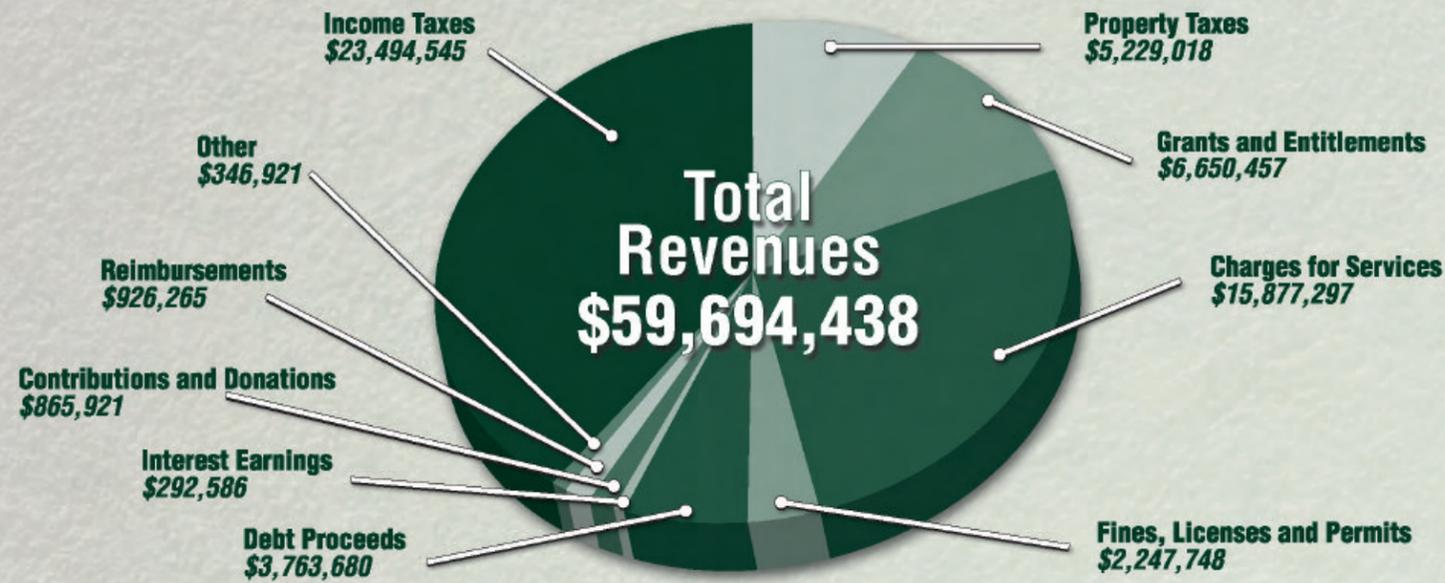
With total expenditures for 2011 at \$60,211,508, the increases in Capital Outlay and Debt Service payments are a result of the continuation of several projects funded partially or entirely from grants. Those projects include the By-Pass 4 Project, the Flood Prone Home Project and the I-275 Exit 39 Interchange Improvement Project. Though grants are helping these projects proceed, the funds realized from grants are restricted to specific projects and are a one-time revenue source. The City's largest expenditures are in the areas of Security of Persons and Property (fire and police services) and Capital Outlay (see chart and table on page 17.)

For the past 7 years, Fairfield IT Manager Joseph Waldmann has volunteered his time as a counselor at Indian Summer Camp, a non-profit organization for children with cancer. The camp is a free, fun, safe and loving environment funded by donations and operated by volunteers.



2011 Revenues

2011 Expenditures



| | 2010 | 2011 |
|-----------------------------|---------------------|---------------------|
| Income Taxes | \$22,861,250 | \$23,494,545 |
| Property Taxes | 5,264,539 | 5,229,018 |
| Grants and Entitlements | 5,481,567 | 6,650,457 |
| Charges for Services | 15,331,761 | 15,877,297 |
| Fines, Licenses and Permits | 2,309,397 | 2,247,748 |
| Debt Proceeds | 9,167,934 | 3,763,680 |
| Interest Earnings | 508,747 | 292,586 |
| Contributions and Donations | -- | 865,921 |
| Reimbursements | 925,284 | 926,265 |
| Other | 337,998 | 346,921 |
| Total Revenues | \$62,188,477 | \$59,694,438 |

Government Activities

| | 2010 | 2011 |
|------------------------------------|---------------------|-------------------|
| General Government | \$7,535,151 | \$7,854,337 |
| Security of Persons and Property | 15,620,409 | 15,316,668 |
| Public Health Services | 22,441 | 21,998 |
| Transportation | 3,416,995 | 3,390,126 |
| Community Environment | 1,450,476 | 1,325,521 |
| Basic Utility Services | 595,971 | 573,762 |
| Leisure Time Activities | 2,731,421 | 2,590,538 |
| Debt Service Payments | 2,268,154 | 2,894,831 |
| Capital Outlay | 8,564,113 | 9,775,151 |
| Total Government Activities | \$42,205,131 | 43,742,932 |

Business-Type Activities

| | 2010 | 2011 |
|---------------------------------------|---------------------|---------------------|
| Water Utility | \$4,411,216 | \$5,120,377 |
| Sewer Utility | 5,531,261 | 7,013,084 |
| Solid Waste Utility | 2,514,826 | 2,367,065 |
| Recreation Facilities | 2,136,716 | 1,968,050 |
| Total Business-Type Activities | \$14,594,019 | \$16,468,576 |

Total Expenditures

| | 2010 | 2011 |
|--|---------------------|---------------------|
| Total Expenditures | \$56,799,150 | \$60,211,508 |
| Excess of Revenues Over (Under) Expenditures | \$5,389,327 | \$(517,070) |

This overview of the City's financial operation for the fiscal year ended December 31, 2011, is presented on a cash basis and is not intended to be presented in conformance with Generally Accepted Accounting Principles (GAAP). The City's audited financial statements are generally completed six months after the end of the fiscal year, with an official audit report completed soon thereafter.



City of Fairfield
5350 Pleasant Avenue
Fairfield, Ohio 45014

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