



CITY BUDGET PROPOSAL

2026

Mayor

Ben Baker

Council Members

Tarris Horton

Aaron Judd

Christina Kelly

Jessica Lovins

Joe Neary

Beth Nyman

City Administrator

Jay Fossett

Assistant City Administrator

Jerrold Barks

City Clerk

Tristan Klein

Chief of Police

David Halfhill

Public Works Director

Rick Lucas

Code Enforcement Director

Cassie Patterson

Chief of Fire Department

Brent Schafer

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CITY OF DAYTON, KENTUCKY
ORDINANCE NO. 2025#___

AN ORDINANCE ADOPTING THE CITY OF DAYTON, KENTUCKY'S ANNUAL BUDGET FOR THE FISCAL YEAR RUNNING FROM JULY 1, 2025, THROUGH JUNE 30, 2026, AND ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS FOR THE CITY TO THE FULL EXTENT AUTHORIZED BY KRS 82.082 AND INTERPRETATIVE CASE LAW.

WHEREAS, a proposed annual operating budget has been prepared and delivered to the City Council of the City of Dayton, Kentucky; and,

WHEREAS, the City Council, having reviewed and discussed the proposed budget, desires to adopt it for Fiscal Year 2026.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF DAYTON, CAMPBELL COUNTY, KENTUCKY, AS FOLLOWS:

1. The Annual Operating Budget for the Fiscal Year beginning July 1, 2025, and ending June 30, 2026, including all sources of estimated revenues and appropriations for all City funds as set forth in Exhibit 1, which is attached and made by reference a part hereof, is hereby adopted.
2. All encumbrances outstanding on June 30, 2025, for goods not yet provided or services not yet rendered are hereby reappropriated to conform with generally accepted accounting principles for the Fiscal Year beginning July 1, 2025, and ending June 30, 2026.
3. The balance of all capital construction, renovation, improvement projects and grants currently approved and/or nearing completion are hereby approved for reappropriation and carry over for the Fiscal Year beginning July 1, 2025, and ending June 30, 2026.
4. The provisions of this Ordinance are hereby declared to be severable, and if any section, phrase, or provision shall for any reason be declared invalid, such declaration of invalidity shall not affect the validity of the remainder of this Ordinance.
5. All prior Municipal Order/Resolutions and/or or Ordinances or parts of any thereof that are in conflict with this Ordinance are hereby repealed.
6. This Ordinance is adopted pursuant to KRS 83A.060 in that it was introduced on May 13, 2025, and given final reading on June 10, 2025, and this Ordinance shall be in full force and effect upon signature, recordation, and publication in summary pursuant to KRS Chapter 424.

Adopted by City Council of the City of Dayton, Campbell County, Kentucky assembled in regular session.

First Reading: May 13, 2025
Second Reading: June 10, 2025

MAYOR BEN BAKER

ATTEST:

TRISTAN KLEIN
CITY CLERK/TREASURER

CITY OF DAYTON BUDGET 2025-2026 PROPOSAL

City of Dayton Budget 2026					
The annual budget for fiscal year beginning July 1, 2025 and ending June 30, 2026 is hereby adopted as follows:					
Resources Available	General Fund	Municipal Aid Fund	Econ. Development	Park Board	TIF
Fund Balance Forward:	\$ 5,481,500.00	\$ 30,000.00	\$ 470,000.00	\$ 50,000.00	\$ 840,000.00
Estimated Revenue					
Taxes	\$ 2,138,000.00				\$ 1,150,000.00
Licenses and Permits	\$ 2,608,200.00				
Fines	\$ 177,200.00				
Intergovernmental	\$ 118,000.00	\$ 160,000.00		\$ 150,000.00	
Charges for Services	\$ 411,550.00				
Miscellaneous	\$ 565,250.00			\$ 400.00	
Grant Restricted	\$ 3,201,920.00			\$ 72,000.00	
Interest	\$ 30,000.00	\$ 600.00	\$ 7,000.00	\$ 1,000.00	\$ 6,000.00
Total Estimated Revenue	\$ 9,250,120.00	\$ 160,600.00	\$ 7,000.00	\$ 223,400.00	\$ 1,156,000.00
Available Appropriations	\$ 14,731,620.00	\$ 190,600.00	\$ 477,000.00	\$ 273,400.00	\$ 1,996,000.00
Appropriations					
General Government	\$ 780,000.00				\$ 150,000.00
Police	\$ 1,545,600.00				
Fire	\$ 1,382,390.00				
Public Works	\$ 600,000.00	\$ 30,000.00		\$ 77,500.00	
Code Enforcement	\$ 150,000.00				
Parks				\$ 170,000.00	\$ 150,000.00
Economic Development			\$ 50,000.00		
Waste Collection	\$ 522,000.00				
Professional Services	\$ 100,000.00	\$ 130,000.00			
TIF Payment					\$ 850,000.00
Miscellaneous	\$ 61,500.00				
Capital Spending	\$ 6,482,400.00				
Total Appropriations	\$ 11,623,890.00	\$ 160,000.00	\$ 50,000.00	\$ 247,500.00	\$ 1,150,000.00
Est. Ending Fund Balances	\$ 3,107,730.00	\$ 30,600.00	\$ 427,000.00	\$ 25,900.00	\$ 846,000.00

SELECTED FINANCIAL POLICIES

The financial policies of the City of Dayton are in line with those mandated by Kentucky Revised Statutes. The city operates using the modified accrual basis of budgeting and accounting. This type of accounting is a process in which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect the taxes levied and revenue earned. All City funds use this type of accounting. The basis for accounting and budgeting are the same.

Annual Budget Requirement:

1. Under Kentucky law, each City is required to operate and expend funds under an annual budget adopted by ordinance by the legislative body. City officials and employees are prohibited from expending any city funds except in accordance with the adopted budget. KRS 91A.030(1), (13).
 1. "Budget" is defined as a proposed plan for raising and spending money for specified programs, functions, activities, or objectives during a fiscal year. KRS 91A.030(4).
2. Each city's budget must cover one full fiscal year. KRS 91A.030(4). Cities are required by Section 169 of the Kentucky Constitution to operate on a July 1 to June 30 fiscal year.
3. If a city fails to adopt a budget by the beginning of the new fiscal year, the previous year's budget remains in force as if readopted. KRS 91A.030(3). In this event, the previous year's budget will govern the expenditure of funds until a new budget ordinance is adopted.
4. No budget may provide for expenditures in excess of revenues in any one fiscal year (balanced budget). "Revenues" means all income from every source, including unencumbered reserves carried over from the previous fiscal year. "Expenditures" means all funds to be paid out for expenses of the city during the fiscal year, including amounts necessary to pay the principal and interest due during the fiscal year on any debt. Kentucky Constitution section 157b; KRS 91A.030(8)(b).
5. The legislative body is obligated to appropriate in the budget ordinance the full amount necessary to service any outstanding debt of the city for the full fiscal year. KRS 91A.030(9).
6. The budget must be presented in full form to the City Council at least 30 days prior to July 1 of the upcoming fiscal year. The budget must undergo two separate readings for passage.

Budget Amendments:

1. The budget ordinance may be amended at any time during the fiscal year, subject to the restriction that expenditures may not exceed revenues for the fiscal year and subject to all other statutory requirements. An ordinance amending the budget must be enacted in the same manner as any other ordinance. Kentucky Constitution Section 157b; KRS 91A.030(10).

Budget Administration:

1. Once adopted, the administration of the budget is the responsibility of the executive authority (mayor) of Dayton. The executive authority is required to submit operating statements to the legislative body, which must include budgetary comparisons of each governmental fund set forth in the budget. These operating statements must be submitted not less than once every three months in each fiscal year. KRS 91A.030(11)
2. The executive authority is authorized to expend funds in accordance with the adopted budget.

Budgetary Accounting

To the extent practicable, the system utilized in implementing and administering the budget must be consistent with the requirements of KRS 91A.020, which requires each city to keep accounting records and render financial reports that:

1. Determine compliance with statutory provisions.
2. Determine fairly and with full disclosure the financial operation of constituent funds and account groups of the city in conformity with “generally accepted principles of government accounting,” which means in accordance with those standards and procedures issued by the Governmental Accounting Standards Board (GASB)

Fund Balance

The City is committed to retaining an adequate fund balance to ensure smooth operation of city services if an emergency or undesirable financial situation were to occur. The city is committed to providing at least 20% of its funding per budget year in reserves. (At minimum, 20% of the expenditure amount per budget will be retained in reserves.)

Financial Goals

The City of Dayton is committed to being a good steward of public money. Therefore, practices involving finance must comply with the standards set forth in the Kentucky Revised statutes, including but not limited to public spending and taxation.

1. Annually, the City of Dayton will review tax laws and tax amounts/percentages in the region and state to determine the appropriateness of current tax levels.
 - a. September: Property Tax
 - b. January: Occupational Tax
 - c. April: Insurance Premium Tax
2. The city will provide a balanced budget yearly.
3. The city will retain at least 20% of revenue as reserve funding. The reserve funding -- or fund balance -- will remain in the General Fund.
4. Financial Statements will be presented to the City Council at its monthly meeting and/or at a specially called meeting, if appropriate.
5. The City will ensure proper funding for all debts incurred during its budget cycle.

BUDGET SCHEDULE

March

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3 Budget Process Begins	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28 Department Requests Due	29

Beginning March 3rd: The budget process officially begins. During this period, data is collected from the previous year's budget, surveys are taken, and comments gathered throughout the previous year. Invoices and quotes are requested for respective potential projects from area contractors and businesses.

March 7th: All department requests are due to City Hall.

April

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 Budget Construction Begins	2	3	4	5
6	7	8	9	10	11	12 Strategic Planning Session
13	14	15	16	17	18	19
20	21	22	23	24	25 Finalization of Budget Numbers	26
27	28	29	30			

April 1st-April 24th: During this period, much of the budget is constructed by city administration based on prior research and department needs.

April 12th: City holds a Strategic Planning Session with the City Council. Council hears from all departments and decides on goals and priorities for the upcoming year.

April 25th: Final numbers are tabulated utilizing information from all meetings in the previous month.

May

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7	8	9	10
11	12	13 First Reading	14 Budget Publication to Public	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

May 13th: First Reading of the budget is conducted.

May 14th: The budget is published online for public view and comment.

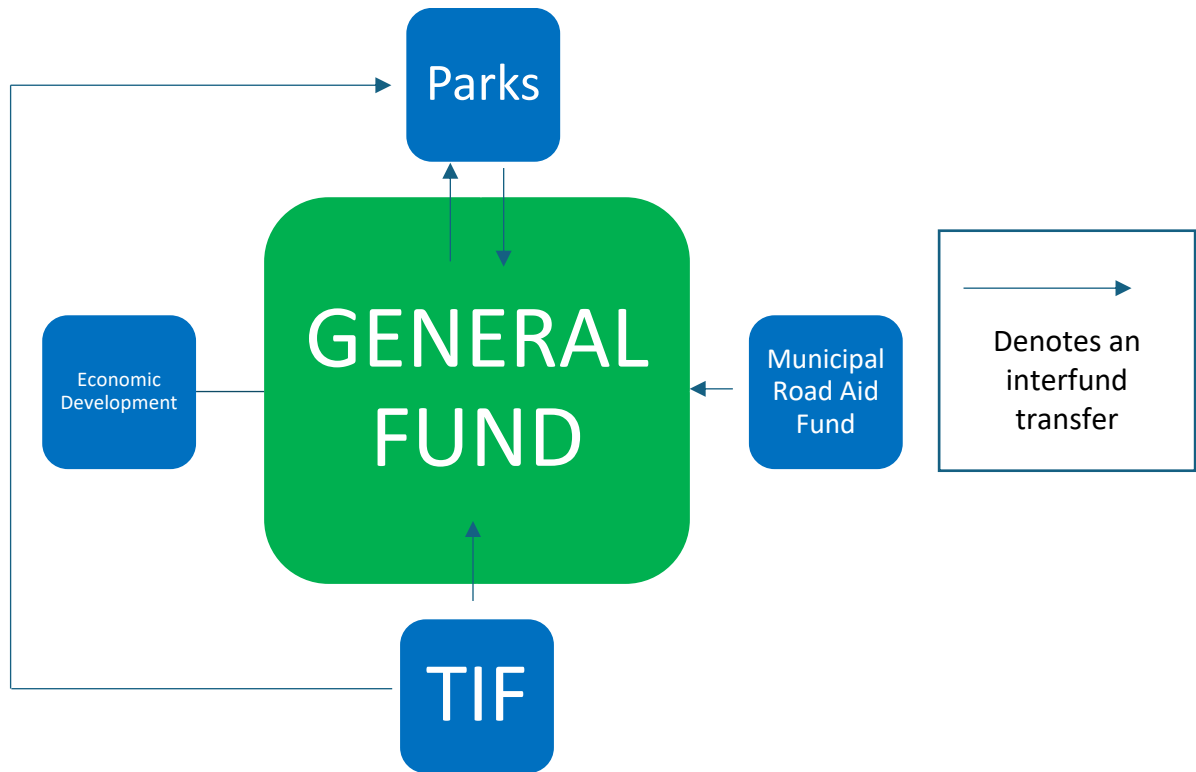
CITY OF DAYTON BUDGET 2025-2026 PROPOSAL

June

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10 Second Reading/Budget Approval	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

June 10th: Second and final reading of the budget is conducted. Budget period begins July 1, 2025.

FUND DESCRIPTIONS



The following funds are allocated in the budget:

General Fund

The General Fund is the largest of all the City's funds. This fund is used for general expenses for city operations, commonly referred to as "government spending." Most revenue is deposited into the general fund, including all occupational fees, insurance premium taxes, and property taxes. Expenses for the general fund include, but are not limited to:

- Insurance
- Payroll
- Retirement and Medical Benefits
- Operating and capital expense
- Administrative Costs
- Police Department
- Fire Department
- Public Works Department
- Code Enforcement Department
- Planning and zoning expenses
- General government expense

The General Fund holds within it several *reserved* funds, meaning these funds can only be spent on specific items or projects. The reserved fund accounts within the General Fund are listed below:

- *Drug Forfeiture Funds*
- *Civic Activities Board Funds*
- *Museum Board Funds*
- *Opioid Settlement Funds*

- *Health Insurance Fund*

Municipal Road Aid Fund

The Municipal Road Aid (MRA) Fund receives revenues from the Commonwealth of Kentucky's fuel tax and is devoted to the maintenance and repair of streets and sidewalks in the City. The allotment given to each city in the state is calculated based on population. The state's MRA funding, created by KRS 177.365 and KRS 177.366, accounts for 7.7% of the motor vehicle fuel tax for urban roads and streets. The City of Dayton's general fund, utilizing an interfund transfer, receives \$30,000 per year from this fund, this amount partially funds the Public Works Department, which maintains the City's roads, sidewalk, and infrastructure. The City of Dayton will receive approximately \$160,000 from the Commonwealth of Kentucky in fiscal year 2025-26.

Park Fund

The Park fund is utilized to maintain and improve the City of Dayton's Park system. Seven Park and recreational areas are in the city, including Clark Street Park, Gil Lynn Park, Jamestown Park, Monument Park, Riverfront Commons, Sargeant Park, and Vine Street Park. The City of Dayton receives funding for the park fund by assessing a separate property tax in the amount of 50 cents per \$1,000 of assessed property value. An inter-fund transfer is made during the fiscal year from the park fund to the general fund; this funding is devoted to the salaries of Public Works crew members who maintain the general upkeep of the park grounds and capital improvements in these parks.

- *Sargeant Park Trust Account*

Sargeant Park funds are held in a Certificate of Deposit at the City's banking institution. These funds are held at a steady \$30,000. This amount of funding is maintained pursuant to an agreement between the City and the donor of the land now known as Sargeant Park, which is located on Dayton's southern edge, adjacent to Fort Thomas and Bellevue. The interest received by the certificate of deposit can be utilized to maintain Sargeant Park; however, there are no plans to use these funds during the fiscal year 2025-26. All maintenance of the park grounds has been primarily funded by the Park Fund and/or funding from the American Rescue Plan Act (ARPA). These funds are accounted for in the larger Park Fund.

TIF Fund

1. Grant Park Account

The Grant Park TIF Fund is a tax-increment financing fund devoted to paying off a bond issued for the public infrastructure improvements in the Grant Park subdivision on the south side of the City of Dayton. Formerly a component of the general fund, in this year's budget, the City separated these revenues and created a new specific fund for TIF accounts. Currently, 75% of property taxes received by the City from the residential properties in Grant Park are allocated to this fund, the remaining 25% is allocated to the general fund of the city. The general fund first receives the funds, they then are transferred to the Grant Park TIF Fund utilizing an inter-fund transfer. Most of the remaining funds in the TIF account are used to pay off the public infrastructure bond issue. The bond will be paid off in 2038; thereafter, the City of Dayton will receive 100% of all property tax revenues generated by these properties.

2. Manhattan Harbor Account

The Manhattan Harbor TIF Fund is a tax-increment financing fund devoted to paying for the development costs associated with public infrastructure put in place during the development of the Manhattan Harbor development area on the north side of the City of Dayton. Formerly a part of the general fund, in this budget year, the City

separated these revenues and created a new fund. Currently, 80% of the property tax, occupational tax, and other taxes are allocated to this fund, with the remaining 20% being allocated to the general fund of the city. The fund is utilized for the development of public infrastructure in the Manhattan Harbor development area, including installation of sewers, water, gas, electric, and other utilities, creating and paving of roads and sidewalks and other public infrastructure. This TIF arrangement will end in 2043; thereafter, the City of Dayton will receive 100% of the tax revenue generated by these properties.

3. *Pottebaum Point Account*

Economic Development Fund

Generally, the Economic Development fund has been used to create and maintain the Dayton Business Assistance Grant (DBA) program and other economic development projects in the city. The DBA grants assist entrepreneurs and new businesses with façade improvements, rental assistance, funding devoted to updating signage. In recent years, the City has utilized this fund to purchase and/or demolish vacant and abandoned properties.

HISTORICAL BACKGROUND

Incorporated in 1867 when two separate communities — Brooklyn and Jamestown — were merged, Dayton, Kentucky is a historic community on the Ohio River directly across from Cincinnati, Ohio.

A walkable community of about two square miles, the city was served as the eastern “end of the line” of the Northern Kentucky streetcar system. Dayton is just three miles from Fountain Square in downtown Cincinnati and is conveniently located on Ky. 8 near I-471 and the cities of Bellevue, Newport, Covington, and Fort Thomas.

Celebrating its past while embracing its promise of a bright future, Dayton is seeing a surge of new housing and commercial developments that are reconnecting the city to the Ohio River and bringing a renewed vibrancy to the city.

The city offers a diversity of housing, neighborhoods, businesses, and parks. No matter your taste in homes or your station in life, Dayton has a home for you — from historic homes and condominiums on the hills overlooking the Ohio River to more contemporary housing, such as large, suburban homes in the city’s Grant Park subdivision or luxury homes and multi-family developments like Manhattan on the River and Gateway Flats perched along the banks of the river. Dayton also offers affordable homes for first-time homebuyers and young couples looking to start a family.

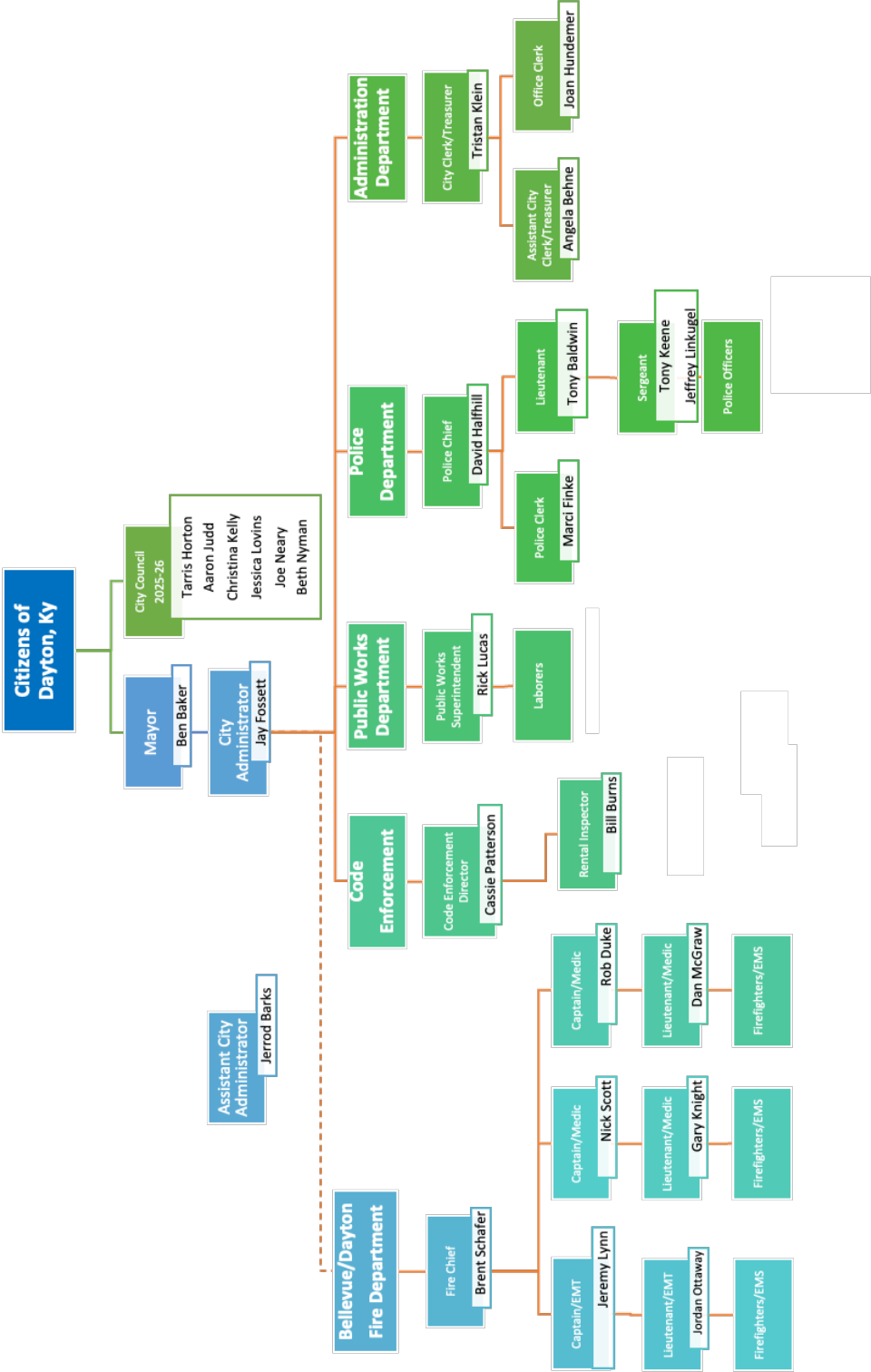
Dayton Independent Schools has earned the Kentucky Department of Education’s highest rating: Distinguished School District. Lincoln Elementary School has 650 students and approximately 350 students attend Dayton Middle/High School.

Restaurants and catering businesses, entertainment, and event centers, recording studios, retail outlets, and professional offices, including financial and medical services, are found on Sixth Avenue in the city’s Central Business District. Several industries operate in the city’s industrial park and three marinas are located in the city.

The city maintains six public parks, including a vast trail system that includes Riverfront Commons along the river and Sergeant Park in south Dayton on Covert Run Pike.



CITY PERSONNEL ORGANIZATIONAL CHART



CITY COUNCIL GOALS

The City Council of the City of Dayton met on April 12, 2025, for a strategic planning session at the then under construction Community and Meeting Center. After presentations by all city departments, the council voted, utilizing a point system, for the following priorities and goals for the City:

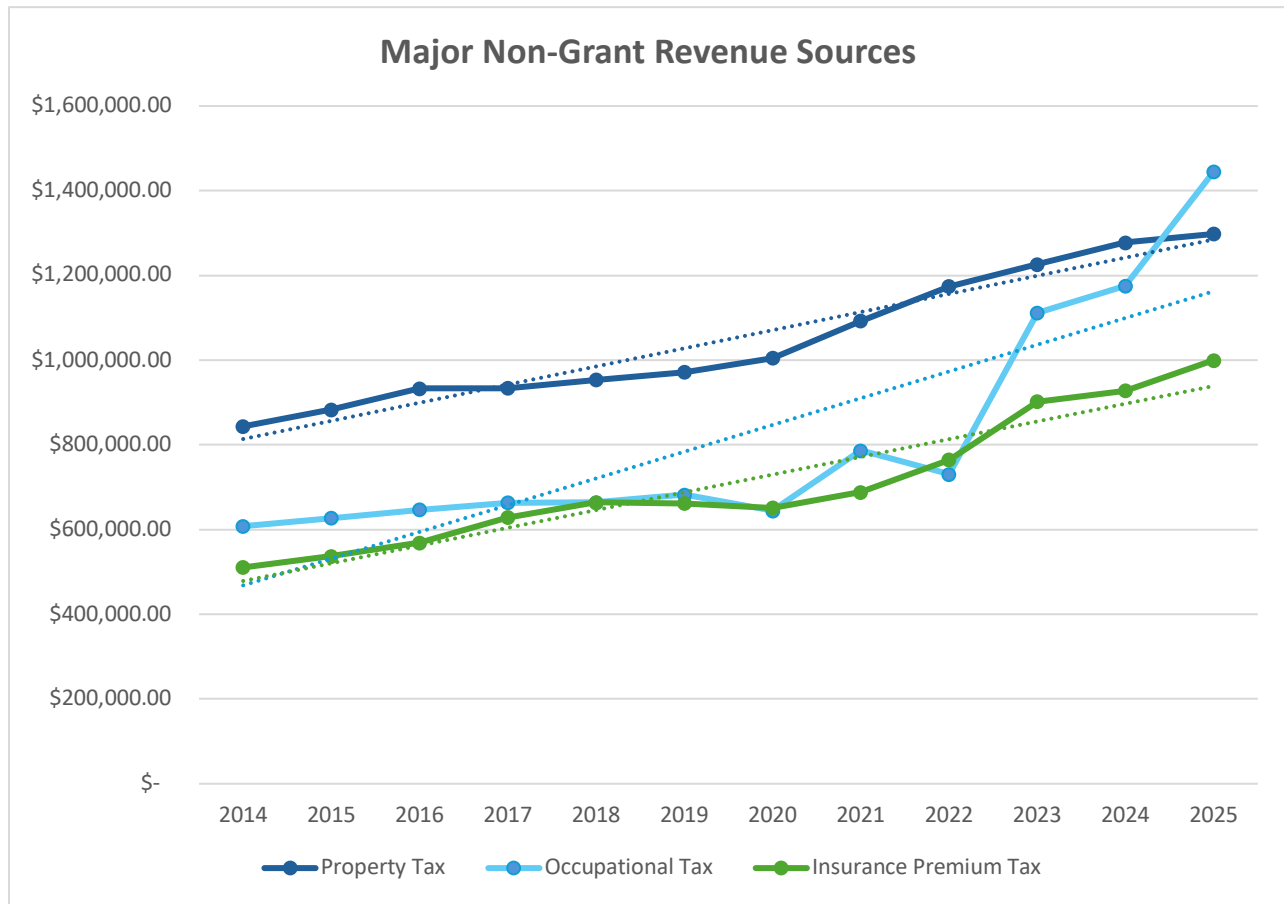
FY 25-26 City Council Priorities

Rank	Project, Program, Initiative	Points
1	Prioritize and road and sidewalk projects to improve city streets and walkability/bikeability accessibility	20
2	Promote teen/adult recreation for residents and those outside city	18
3	Select site, fund, & build new Public Works Bldg.	16
4	Set goals and develop mechanisms to track KPIs for City Council and City Staff goals	16
5	Establish council committees	15
6	Fund low-interest loan repair fund program for low- to moderate-income homeowners	12
7	Select site, determine funding source, and design new City Building	11
8	Use city general funds – in addition to Municipal Road Aid -- to pave streets and improve alleys	10
9	Purchase and install new playground at Gil Lynn Park	10
10	Fund improvements to city gateways/entrances	9
11	Construction of Phase II of Dayton Pike sidewalk	9
12	Establish committee to work with Planning & Zoning/SD1 on stormwater issues	8
13	Partner with Campbell County Library and nonprofits to provide life/professional skills and development training	7
14	Establish committee to examine/recommend parking solutions on 10 th St. and Dayton Ave.	4
15	Engage professionals for design/redesign of Monument, Clark Street, and Jamestown Parks	4



CITY REVENUES

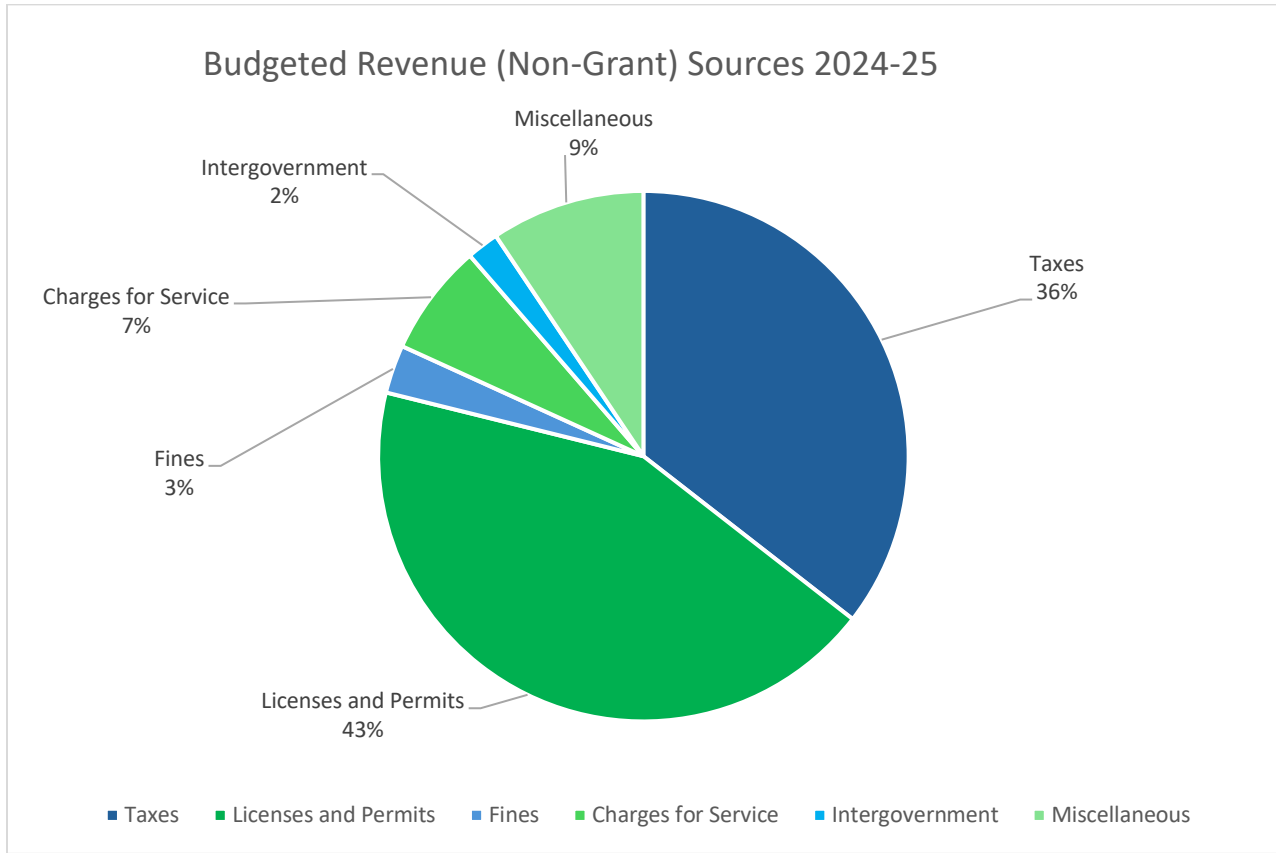
REVENUES OVERVIEW



Above: The data above shows the growing revenues of the City in its three largest revenue streams. Utilizing this information, we can see that revenues are increasing in these categories year-over-year and trend lines show that we can expect continued growth in the years ahead. New interest in homeownership and entrepreneurial opportunities in the community also support this trend.

To add transparency to the city's budget, staff separated out revenue sources from the general fund in fiscal year 2022. Separation of these funds provides a clearer picture of the actual funds devoted to these specific projects while also creating a more easily understood fund balance in the general fund on a yearly basis. Secondly, line items in the general fund have been shifted into better suited fields. This change will also affect the ability of readers to compare this budget to past year's budgets; this change was needed to portray the City's true revenues more accurately.

MAJOR REVENUE DESCRIPTIONS (Excluding Grant and Federal Funding)



Property Tax- 24% OF REVENUE

With the limited amount of space available for business and industry when compared to neighboring river cities, Dayton relies heavily upon its property tax revenue (in green on page 23). In previous years, this category was the highest revenue stream for the City of Dayton. As shown on page 23, property tax revenue has increased year after year. This trend is expected to continue as more interest grows in Dayton residential and commercial properties and the continued growth of the TIF districts, including Manhattan Harbor, Grant Park, and the Pottebaum Point (Red Knot) homes.

Insurance Premium Tax- 18% OF REVENUE

The City of Dayton currently requires the payment of an 11% surcharge to insurance line items, excluding health and life insurances. This is higher than other river cities; however, other river cities, including Bellevue, charge a tax for (10% across line items) health and life insurance included. Like property tax, the revenues for this line item have increased yearly, so this trend is expected to continue in future years.

Occupational/Payroll License- 31% OF REVENUE

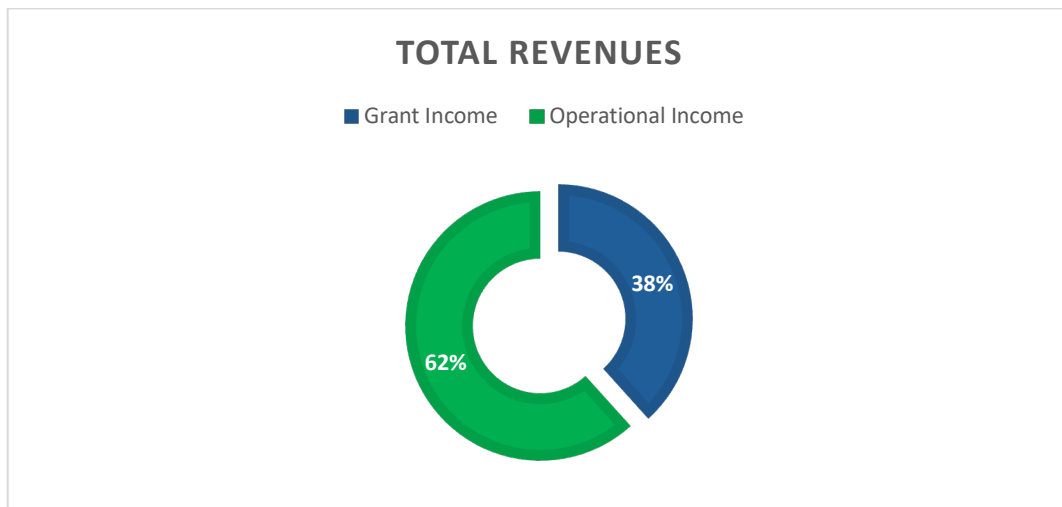
Occupational and payroll account for the highest of the largest three revenue streams in the city. Currently, the city has a step/grade net profit fee schedule. Payroll taxes are charged at 2.5% of payroll earnings in Dayton. The occupational rate at 2.5% compares with the rates charged by similar cities (Bellevue, Newport, and Covington) in the region.

EXPECTED GRANT REVENUES

Grant Name	Total Project	Grant Award	Grant %	Issuing Agency
Riverfront Commons Phase II	\$1,123,500	\$898,800	80%	KYTC
Riverfront Commons Phase II (OKI Grant)	\$714,000	\$571,200	80%	OKI
Riverfront Commons Phase III	\$946,500	\$757,200	80%	KYTC
Dayton Pike Sidewalk Phase II	\$325,900	\$260,720	80%	KYTC
TAP/TANK Grant	\$50,000	\$40,000	80%	KYTC
O'Fallon Bridge* <i>Split cost with Bellevue</i>	100,000 200,000	80,000 160,000	80%	KYTC
Riverfront Levee Wall Trail*	\$742,500	\$594,000	80%	KYTC
TOTAL:	\$4,074,740	\$3,201,920		

*Projects pending approval.

TOTAL REVENUES



Above: Total Revenues consist of operational (non-grant) and grant funds. Grant funds comprise 38% of the City's total revenues in the amount of \$3,201,920.00. Operational funds account for 62% of revenues at \$5,152,200.

REVENUE SCHEDULES

General Fund Revenues	2023-24 Budget	2024-25 Budget	YTD Actual Balance*	2025-26 Proposed
Taxes	1,640,000.00	2,040,000*	2,585,952.49	2,138,000
Licenses and permits	2,077,200.00	2,505,200	2,608,239.25	2,608,200
Intergovernmental	71,000.00	71,000	128,139.50	118,000
Fines and Penalties	80,650.00	\$171,200	192,942.63	177,200
Charges for Services	431,600.00	415,500	419,551.57	411,550
Miscellaneous	110,900.00	622,750	232,032.28	565,250
Grant Restricted	3,303,120.00	3,273,260	2,445.00	3,201,920
Interest	30,000.00	30,000	27,755.99	30,000
Grand Totals	7,744,470.00	9,128,910	5,497,058.71	9,250,120

Municipal Road Aid Revenues	2023-24 Budget	2024-25 Budget	YTD Actual Balance	2025-26 Proposed
Intergovernmental	118,000	118,000	\$132,034	\$160,000
Interest	2,500	500	\$158	\$600.00
Grand Totals:	120,500	18,500	132,191	\$160,600

Park Fund Revenues	2023-24 Budget	2024-25 Budget	YTD Actual Balance	2025-26 Proposed
Property Tax	135,000	140,000	\$156,906.17	150,000
Other	400.00	400	\$5,000.00	400
Interest	1,000.00	1,000	\$1,028.03	1,000
Recreation Trail Grant	72,000.00	72,000	\$0	\$72,000
Grand Totals:	208,400.00	213,400	\$162,934.20	\$223,400

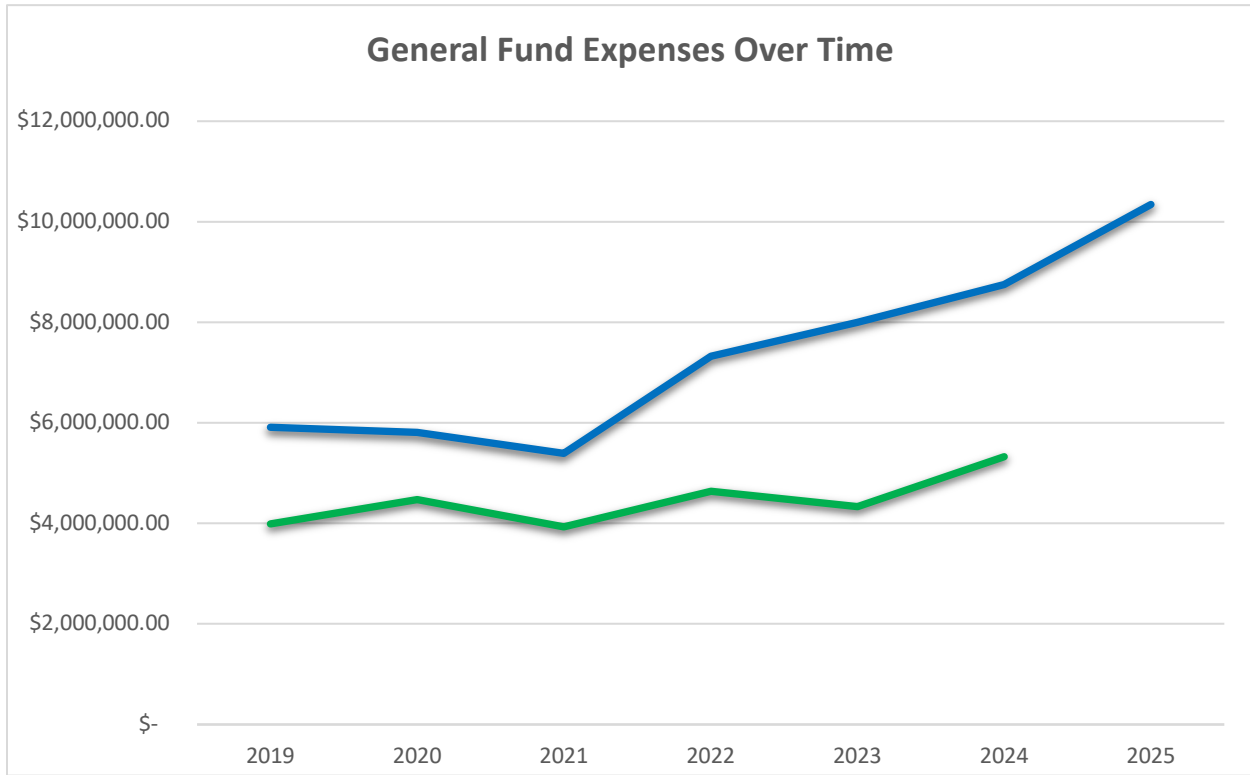
TIF Revenues	2023-24 Budget	2024-25 Budget	YTD Actual Balance	2025-26 Proposed
Taxes	650,000	1,100,000	300,000	1,150,000
Interest	10,000	6,000	500	6,000
Grand Totals:	660,000	1,106,000	300,500	1,156,000

Economic Development Revenues	2023-24 Budget	2024-25 Budget	YTD Actual Balance	2025-26 Proposed
Interest Revenue	\$8,000	\$7,000	\$6,217.41	7,000
Other Income:	--	--	\$14,115.19	--
Grand Totals:	\$8,000	\$7,000	\$20,332.60	\$7,000



CITY EXPENDITURES

EXPENDITURES OVERVIEW

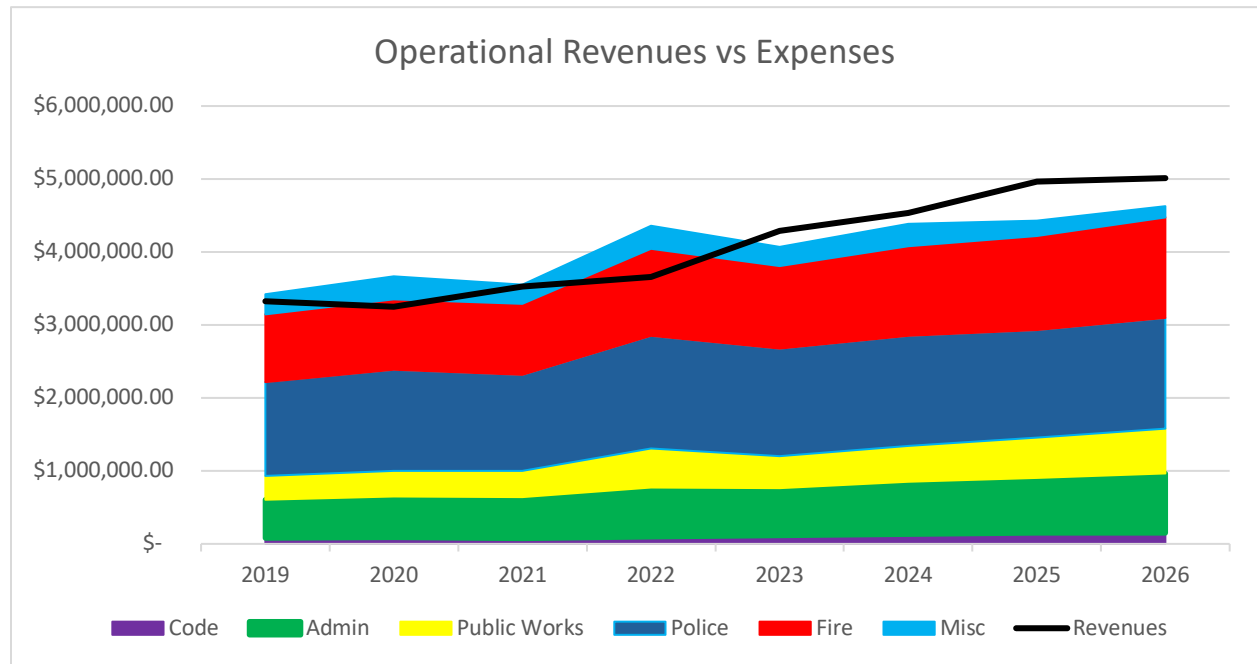


Shown above: A chart comparing the budgeted expenses by year (blue line) compared to actual expenses (green line). 2025 actuals were not available at the time of this publication.

Historically, over the last several years, the City of Dayton has budgeted more in expenses than it has spent (shown above). This is largely because the city has had several pending grants that have been budgeted for but were delayed over multiple years. The city has allocated funds for these grants year after year but has not spent them due to the project or approvals being delayed.

For fiscal year 2026, it is likely that many of these grants will be completed or, at the least, started. This construction boom will limit the discrepancy between budgeted and actuals in future budgets, or at the very least limit the discrepancy. The city's finances remain in good standing due to its large fund balance. This large fund balance allows for multiple capital spending projects, many of them without the help of grant funding. This shows the growing strength of the city's budgeting practices and available funds to fulfill these projects.

OPERATIONAL EXPENSES



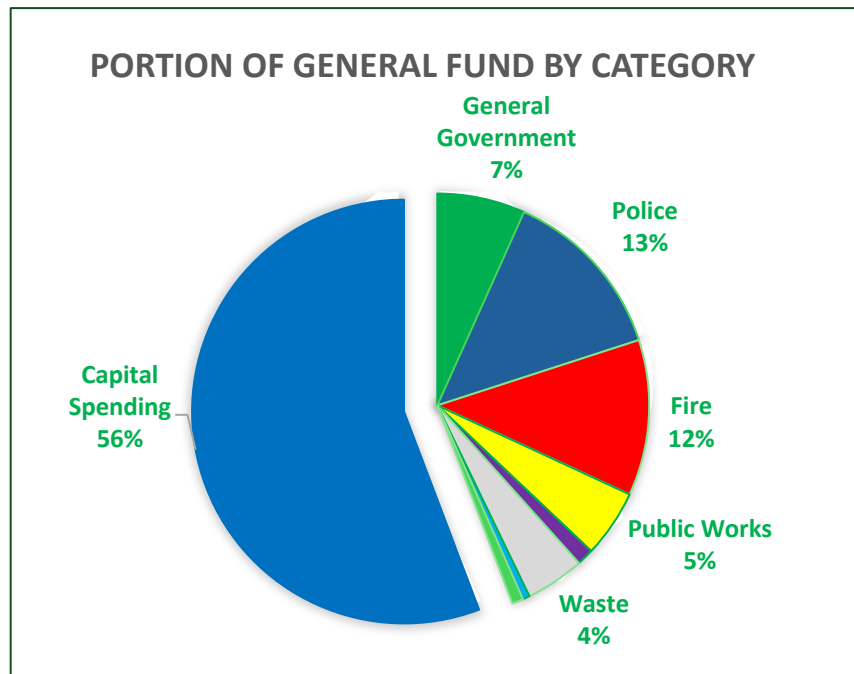
The City of Dayton defines “operational expenses” as those expenses that are required for the day-to-day operations of the city. Examples of operational expenses are supplies, employee salaries and benefits, equipment maintenance, fuel for vehicles, insurance, utility bills, etc. The graph above shows the operational expenses compared to the revenues of the city (revenues in this case do not include grant funding or one-time revenues) over the past seven years.

As shown above, the City of Dayton has operated by budgeting more in expenses than in revenues in the past in various amounts. The driver of this discrepancy has historically been the increase of employee salaries and the corresponding CERS contribution increases year-over-year. To operate in the long term, the City should increase revenues or lower expenses in future years. Fortunately, during fiscal years 2023 up to this current budget, the City has changed this trend and is now operating within its means. This practice should be continued for future solvency.

GENERAL FUND EXPENDITURES

General Fund Category	2023-24 Budget	2024-25 Budget	YTD Actual Balance*	2025-26 Proposed
General Government	\$703,364.40	\$753,950	\$758,209	\$780,000
Police	\$1,536,659.72	\$1,476,400	\$1,365,356	\$1,545,600
Fire	\$1,230,559.95	\$1,285,690	\$1,285,690	\$1,382,390
Public Works	\$494,027.60	\$553,350	\$438,579	\$600,000
Code Enforcement	\$136,609.20	\$148,650	\$115,729	\$150,000
Waste Collection	\$232,000	\$232,000	\$204,711	\$522,000*
Miscellaneous	\$248,250	\$74,750	\$42,299	\$61,500
Professional Services	\$92,300	\$137,500	\$72,999	\$100,000
Capital Spending	4,280,290.00	\$5,557,240	\$186,558	\$6,482,400*
Grand Totals	\$8,754,060.87	\$10,219,530	\$4,470,130	\$11,623,890

**Expenditures greater than 10% increase from the previous Budget Cycle



ADDITIONAL PERSONNEL

Public Works

The public works department will have one crew member added to their staff increasing the department from four employees to five.

Fire Department

The fire department will increase their staff by two for a total of 14 employees.

CAPITAL INVESTMENT PLAN

The centerpiece of this budget is the Capital Investment Plan (CIP). As shown in the chart on page 27, capital spending accounts for 56% of the City of Dayton's budget for fiscal year 2026. This amount includes federal grant funds and City funds.

Police Vehicles: \$120,000 *(\$70,000 additional from previous year)*

The City of Dayton Police Department will be utilizing these funds to purchase a police vehicle. For this coming fiscal year, the police will be adding three patrol SUV. This will increase their leased vehicles to a total of nine. These vehicles will be leased for 5 years.

Public Works Brush Chipper: \$50,000

The City of Dayton Public Works Department will be utilizing these funds to purchase a new brush chipper/mulcher.

City Clerk's Office Software: \$60,000

The City Clerk's Office will be purchasing new software to streamline their office processes. This is a one-time payment to convert our current records for use in the new software. This process will take approximately one year to complete.

Playground Equipment: \$40,000 *(to be combined with \$60,000 Park and \$100,000 School Funds)*

TOTAL COST: \$200,000

The general fund of the city will contribute to the purchase of new playground equipment at Gil Lynn Park, the remaining funds will be derived from the park fund (\$60,000) and from Dayton School System (\$100,000).

New Public Works Garage: \$1,200,000

A new public works garage is needed to modernize the public works department. The current facility is experiencing hill-side slippage causing the building to be compromised. A new location will be selected for this new facility in 2025.

Monument Park Lighting: \$20,000

The City will be utilizing general fund funds to purchase three decorative light poles to match those recently installed on 6th Avenue. This new lighting will be installed at Monument Park adjacent to Berry Avenue between the new maple trees that were planted in 2024.

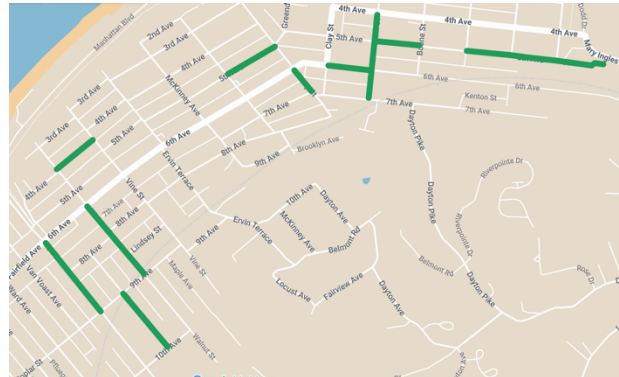
City Hall Design: \$50,000

In preparation of the construction of a new city building, the city is requesting funds for the design phase of this project in the amount of \$50,000.

Street Paving: \$ 566,000 (to be combined with \$160,000 Municipal Road Aid Funds)
TOTAL COST: \$726,000

TOTAL COST: \$726,000

Street paving will account for a large amount of spending by the City of Dayton in 2025 and 2026. Below, find the list of streets that have been selected for repaving. In total, the City is looking to fund more street paving in this fiscal year than the last five years combined. Traditionally cities in the commonwealth utilize Municipal Road Aid Funds (money sent from the state) to pay for repaving projects, however, over the last several years, this funding has lessened and has not kept pace with the rising costs of asphalt and paving projects. Therefore, the City sees the need to utilize its own funding to ensure the streets in Dayton are maintained.



The selection process is conducted based on several factors including:

- Coordination with Northern Kentucky Water District and Duke Energy to avoid repaving streets that are slated for utility cuts.
- A scoring system conducted by the City's third- party engineer.
- Available funds

Street Name	From	To	Cost Estimate
6 th Avenue	Clay Street	Main Street	\$56,250
Main Street	4 th Avenue	7 th Avenue	\$98,750
5 th Avenue	Main Street	Boone Street	\$60,000
5 th Avenue	Dayton Avenue	Berry Avenue	\$56,500
5 th Avenue	Benham Street	Clark Street	\$67,000
5 th Avenue	Clark Street	East Terminal of 5th	\$39,000
5 th Avenue	Kenton Street	Benham Street	\$62,000
4 th Avenue	Walnut Street	Vine Street	\$37,750
Berry Avenue	6 th Avenue	7 th Avenue	\$35,500
Thornton Street	Railroad Crossing	10 th Avenue	\$61,250
Walnut Street	6 th Avenue	9 th Avenue	\$96,250
O' Fallon Avenue Cost halved with Bellevue	6 th Avenue	9 th Avenue	\$55,750 Total Cost: \$111,500
		Total Cost:	\$726,000

Stormwater Projects: \$100,000

The city is requesting funds to repair stormwater issues in the City of Dayton in the amount of \$100,000. In recent years, the city has devoted significant funds to mitigate stormwater runoffs and damage, this additional funding would assist in continuing that needed work.

Seal Coating Street Repairs: \$50,000

In addition to the paving and stormwater projects above, the city is looking to invest approximately \$50,000 toward crack filling and seal coating for city streets. These repairs will extend the life of our streets and delay the need for complete repaving.

CAPITAL SPENDING- GRANT MATCH

Grant Project	Total Project Cost	Grant Award Amount	Grant Percentage	Local Match Amount	Local Percentage
Riverfront Commons Phase II (KYTC Grant)	\$1,123,500	\$898,800	80%	\$224,700	20%
Riverfront Commons Phase II (OKI Grant)	714,000	\$571,200	80%	\$142,800	20%
Riverfront Commons Phase III	\$946,500	\$757,200	80%	\$189,300	20%
Dayton Pike Sidewalk Phase II	\$325,900	\$260,720	80%	\$65,180	20%
TAP/TANK Grant	\$50,000	\$40,000	80%	\$10,000	20%
Riverfront Levee Wall Trail**	\$742,500	\$594,000	80%	\$140,100	20%
O'Fallon Bridge**	\$100,000	\$80,000	80%	\$20,000	20%
TOTAL:	\$4,002,400	\$3,201,920	80%	\$792,080	20%

**** Project Pending Approval**

Above: A table showing the grants currently offered to or pending with the City of Dayton.

Riverfront Commons Phase II (KYTC): \$1,123,500 with 20% (\$224,700) match

The construction and completion of the Riverfront Commons Phase II project is expected in fiscal year 2023-24. This newly constructed 10-foot concrete sidewalk along the banks of the Ohio River will join with the trail surface already constructed during Phase I of the project. This project has met delays due to construction bids being higher than originally planned.

Riverfront Commons Phase II (OKI): \$714,000 with 20% (\$142,800) match

Due to the additional costs detailed above for the Riverfront Commons Phase II project, the City applied for supplemental funds from OKI. The City was subsequently awarded the funds needed, allowing the work to move forward in FY 2025.

Riverfront Commons Phase III: \$946,500 total cost with 20% (\$224,700) match

This will be the next phase of the Riverfront Commons project building an Eastern portion of the walking and biking surface along the Ohio River in Dayton, as part of the larger, multi-city project. When completed, the sidewalk will span from O'Fallon Ave on Dayton's west to 6th Ave on Dayton's east side, with the possibility of continuing east along Mary Ingles Highway to Fort Thomas.

Dayton Pike Sidewalk Phase II: \$325,900 total cost with 20% (\$65,180) match

The City of Dayton will continue to construct ADA-compliant sidewalks from the intersection of Dayton Pike and Chateau Drive through the remaining portion of Dayton Pike to the city limits, where the sidewalk will join the sidewalk that the City of Fort Thomas completed in 2021.

CITY OF DAYTON BUDGET 2025-26 PROPOSAL

TAP/TANK Grant: \$50,000 total cost with 20% (\$10,000) match

The City of Dayton filed a TAP grant in 2017 that would provide for amenities along the TANK route and bus stops. These amenities include benches, trash cans and shelters. The City of Dayton is currently working with TANK to work out details needed to move further.

PENDING APPROVAL: Riverfront Levee Wall Trail: \$724,500 total cost with 20% (\$140,100) match

In 2022, the City of Dayton applied for a TAP (Transportation Alternatives Program) grant to widen and repave the upper Riverfront Commons trail on top of the levee. The current trail is about 25 years old, is narrow, is not ADA capable, and has degraded over time. This grant is pending with Kentucky Transportation Cabinet; however, the city must commit the funds in case this project is awarded.

PENDING APPROVAL: O'Fallon Bridge: \$100,000 total cost with 20% (\$20,000) match

The City of Dayton, working cooperatively with the City of Bellevue, will be making needed repairs to the bridge on O'Fallon Street. O'Fallon is the dividing line between the two cities, with each owning half of the street.

NOTABLE GENERAL FUND SPENDING

City Sidewalk Grant Allotment: \$25,000

The City of Dayton is bringing back its popular grant program for homeowners. The City will offer grants up to \$2,500 toward the improvement/installation of sidewalks contiguous to properties. The grant will be a 50/50 match up to \$2,500. The City will have ten grants available in FY 2026.

City Parking Pad Grant Allotment: \$10,000

The City will also be bringing back its popular parking pad grant program. Like the sidewalk grant, this fund is only for homeowners (landlords or commercial properties are not eligible). The City will have ten \$1,000 grants available. This is a 50/50 matching grant.

RESERVED FUNDING

7th Avenue Slide Repair: \$200,000

A section of 7th Avenue is experiencing significant hill-side slippage and erosion, the project to correct these issues will cost approximately \$500,000. The city will be holding \$200,000 from this budget year toward this future project.

NON-MAJOR FUND EXPENDITURES

Non-major funds	2023-24 Budget	2024-25 Budget	YTD Actual Balance	2025-26 Proposed
Municipal Road Aid Fund	\$80,000	108,500	\$160,000	\$160,000
Park Fund	\$235,500	400,500	\$276,975	\$247,500
Tax Increment Financing District	\$716,000	1,106,000	982,995	1,150,000
Economic Development Fund	\$185,000	50,000	60,800	50,000

PARK FUND CAPITAL EXPENDITURES

Playground Equipment: \$60,000 (to be combined with City General Funds (40,000) and School Funds (100,000))
TOTAL COST: \$200,000

The park fund of the city will contribute to the purchase of new playground equipment at Gil Lynn Park, the remaining funds will be derived from the general fund (\$40,000) and from Dayton School System (\$100,000).

Park Upgrades: \$110,000

The Park Fund receives its budget from a special assessment on property tax bills. This upcoming fiscal year, the City of Dayton will have an additional \$110,000 that can be spent on park upgrades and capital improvement projects. The City of Dayton staff work alongside the City's Park Board, made up of residents, to decide how these funds are spent.

ECONOMIC DEVELOPMENT FUND NOTABLE SPENDING

Dayton Business Assistance Program Funds: \$50,000

Dayton will continue to fund the successful Dayton Business Assistance (DBA) Grant Program for another year. Currently, there are two recipients of rental-abatement grants. The allotted \$50,000 will ensure the program is well funded for individuals who apply in the next fiscal year.

For more information visit: <https://daytonky.com/dba/>



FUND BALANCE

FUND BALANCE

Ending Fund Balances by Fiscal Year

FUND	2023	2024	2025 (Estimate)*	2026 (Estimate)
General Fund	2,400,000	1,659,380	5,481,500	3,107,730
Municipal Road Aid	115,000	10,000	30,000	30,600
Park Fund	60,100	47,900	50,000	25,900
TIF	900,000	804,000	840,000	846,000
Economic Development	500,000	401,000	470,000	427,000

Expected Fund Balance for Fiscal Year 2025-26

FUND	Beginning (estimated)	Increase/(Decrease)	Percentage Change	Ending (estimated)
General Fund	5,481,500	(2,373,770)	-43%	3,107,730
Municipal Road Aid	30,000	600	+2%	30,600
Park Fund	50,000	(24,100)	-48%	25,900
TIF	840,000	6,000	+0.7%	846,000
Economic Development	470,000	(43,000)	-9%	427,000