

City of Dayton, KY

CITY BUDGET

FISCAL YEAR
2027



Mayor

Ben Baker

Council Members

Tarris Horton

Aaron Judd

Christina Kelly

Jessica Lovins

Joe Neary

Beth Nyman

City Administrator

Jay Fossett

Assistant City Administrator

Jerrod 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

TABLE OF CONTENTS

SECTION	TOPIC	PAGE
Ordinance	Ordinance	4
	Budget Breakdown	5
Financial Policies	Selected Financial Policies	6
Budget Schedule	March	8
	April	9
	May	10
	June	11
Fund Descriptions	General Fund	12
	Municipal Road Aid	13
	Park	13
	TIF	13
	Economic Development	14
Historical Background	Historical Background	15
	City Organizational Chart	16
Projects and Goals	City Council Goals	17
Revenues	Revenues	18
	Expected Grant Revenues	21
	Revenue Schedules	22
Expenditures	Expenditures	23
	General Fund Expenditures	26
	Park Fund Expenditures	32
	Economic Development Expenditures	33
	Municipal Road Aid Fund Expenditures	34
	TIF Fund Expenditures	35
Fund Balance	Fund Balance	36

**CITY OF DAYTON, KENTUCKY
ORDINANCE NO. 2026#___**

AN ORDINANCE ADOPTING THE CITY OF DAYTON, KENTUCKY’S ANNUAL BUDGET FOR THE FISCAL YEAR RUNNING FROM JULY 1, 2026, THROUGH JUNE 30, 2027, 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 2027.

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, 2026, and ending June 30, 2027, 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, 2026, 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, 2026, and ending June 30, 2027.
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, 2026, and ending June 30, 2027.
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 12, 2026, and given final reading on June 9, 2026, 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 12, 2026
Second Reading: June 9, 2026

MAYOR BEN BAKER

ATTEST:

TRISTAN KLEIN
CITY CLERK/TREASURER

CITY OF DAYTON BUDGET 2026-2027 PROPOSAL

City of Dayton Budget 2027					
The annual budget for fiscal year beginning July 1, 2026 and ending June 30, 2027 is hereby adopted as follows:					
Resources Available	General Fund	Municipal Aid Fund	Econ. Development	Park Board	TIF
Fund Balance Forward:	\$ 2,000,000.00	\$ 5,000.00	\$ 380,000.00	\$ 160,000.00	\$ 700,000.00
Estimated Revenue					
Taxes	\$ 2,285,000.00				\$ 2,000,000.00
Licenses and Permits	\$ 2,703,200.00				
Fines	\$ 180,200.00				
Intergovernmental	\$ 122,000.00	\$ 108,500.00		\$ 200,000.00	
Charges for Services	\$ 771,550.00				
Miscellaneous	\$ 65,250.00		\$ 25,000.00	\$ 400.00	
Grant Restricted	\$ 894,720.00				
Interest	\$ 30,000.00	\$ 100.00	\$ 7,000.00	\$ 1,000.00	\$ 200.00
Total Estimated Revenue	\$ 7,051,920.00	\$ 108,600.00	\$ 32,000.00	\$ 201,400.00	\$ 2,000,200.00
Available Appropriations	\$ 9,051,920.00	\$ 113,600.00	\$ 412,000.00	\$ 361,400.00	\$ 2,700,200.00
Appropriations					
General Government	\$ 839,300.00				\$ 700,000.00
Police	\$ 1,703,600.00				
Fire	\$ 1,465,702.00				
Public Works	\$ 583,850.00	\$ 30,000.00		\$ 77,500.00	
Code Enforcement	\$ 197,800.00				
Parks				\$ 265,000.00	\$ 70,000.00
Economic Development			\$ 135,200.00		
Waste Collection	\$ 650,000.00				
Professional Services	\$ 150,000.00	\$ 78,500.00			
TIF Payment					\$ 1,700,000.00
Miscellaneous	\$ 90,000.00				
Capital Spending	\$ 1,750,900.00				
Total Appropriations	\$ 7,431,152.00	\$ 108,500.00	\$ 135,200.00	\$ 342,500.00	\$ 2,470,000.00
Est. Ending Fund Balances	\$ 1,620,768.00	\$ 5,100.00	\$ 276,800.00	\$ 18,900.00	\$ 230,200.00

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, 15% 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 15% of revenue as reserve funding. The reserve funding -- or fund balance -- will remain in the General Fund, but will be held in a separate bank trust account to gain advantage of the higher interest earnings.
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	4	5	6	7
8	9	10	11	12	13 Dept Requests Due	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28 Strategic Planning Session
29	30	31				

Beginning March 2nd: 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 13th: All department requests are due to City Hall.

March 28th: 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

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

April 1st-April 23rd: During this period, much of the budget is constructed by city administration based on prior research and department needs.

April 24th: 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 First Reading	13 Budget Publication to Public	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

May 12th: First Reading of the budget is conducted by the Dayton City Council.

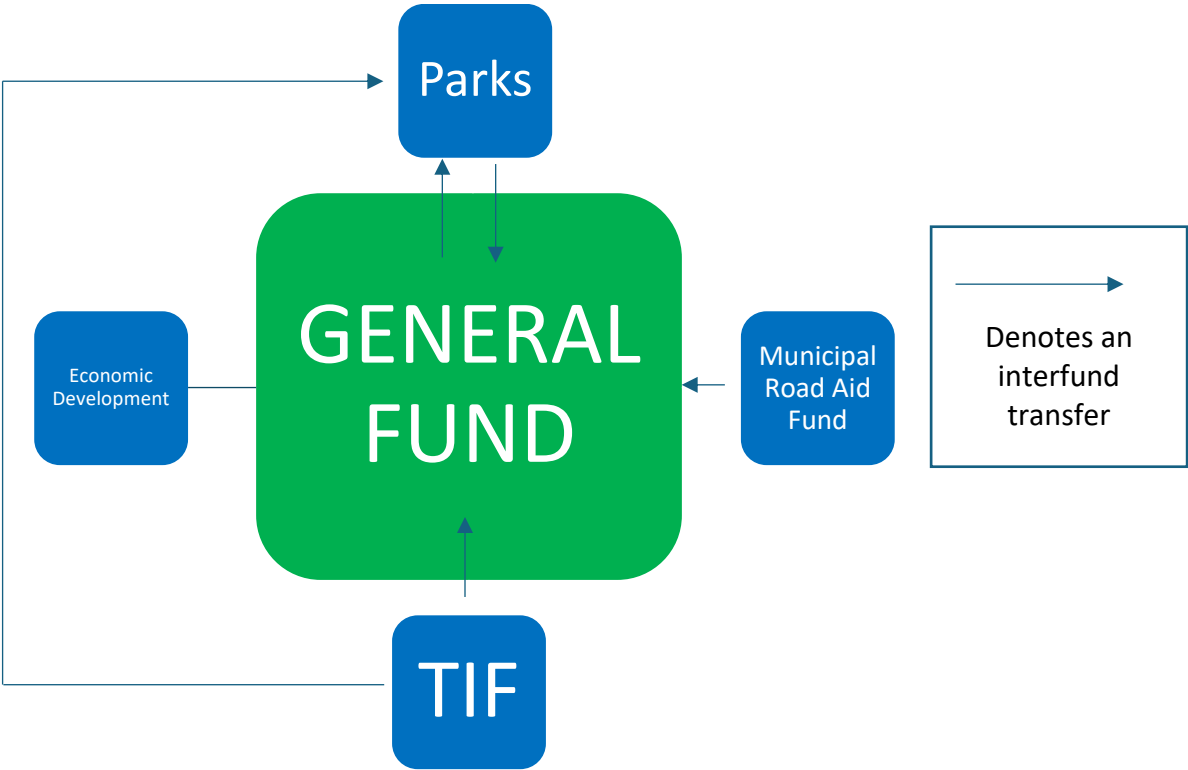
May 13th: The budget is published online for public view and comment.

June

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

June 9th: 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
- City Hall Building Fund
- 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 \$108,500 from the Commonwealth of Kentucky in fiscal year 2026-27.

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 Pike 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 interfund transfer is made during the fiscal year from the park fund to the general fund; a portion of 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, which the City uses to pay the annual bond debt service, with the remaining 25% is allocated to the general fund of the City. The general fund first receives these funds, they then are transferred to the Grant Park TIF Fund utilizing an interfund transfer. Most of the remaining funds in the TIF account are used to pay off the bonds used for public infrastructure improvements in the subdivision. The bond will be paid off in 2038 or whenever all public-improvement costs are reimbursed, whichever date is shorter; 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, which is paid to reimburse the developer, with the remaining 20% being allocated

to the general fund of the city for distribution to the City and other government entities who are signatories to the TIF Local Participation Agreement. Additional revenues in this TIF district are generated by Payments in Lieu of Taxes on properties that are being developed through Industrial Revenue Bonds (“IRBs”). (The legal title of the IRB properties remain in the City’s name until the IRBs are redeemed.) These funds are utilized for repayment of development expenses related to public infrastructure that has been constructed 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 or whenever all public-improvement costs are reimbursed, whichever period is shorter; thereafter, the City of Dayton will receive 100% of the tax revenue generated by these non-IRB properties.

3. *Pottebaum Point Account*

The Manhattan TIF Fund is a tax-increment financing fund devoted to paying off costs incurred by the developer for public infrastructure improvements constructed in the Pottebaum Point subdivision on the north side of the City of Dayton and other development-related costs. 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, 50% of property taxes received by the City from the residential properties in Pottebaum Point are allocated to this fund, which reimburses the developer, with the remaining 50% is allocated to the general fund of the city. The general fund first receives these funds; they then are transferred to the Pottebaum Point TIF Fund utilizing an interfund transfer. This arrangement will end in 2052 or whenever all public-improvement costs are reimbursed, whichever is shorter; thereafter, the City of Dayton will receive 100% of all property tax revenues generated by these properties.

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 and neighborhood 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 and pursue foreclosure actions against properties with Code Enforcement liens, and when these liens and related legal expenses and attorney fees are paid to the City, the City reimburses this fund from these payments.

HISTORICAL BACKGROUND

Incorporated in 1867 when two separate communities — the Cities of Brooklyn and Jamestown — were merged into one, 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.

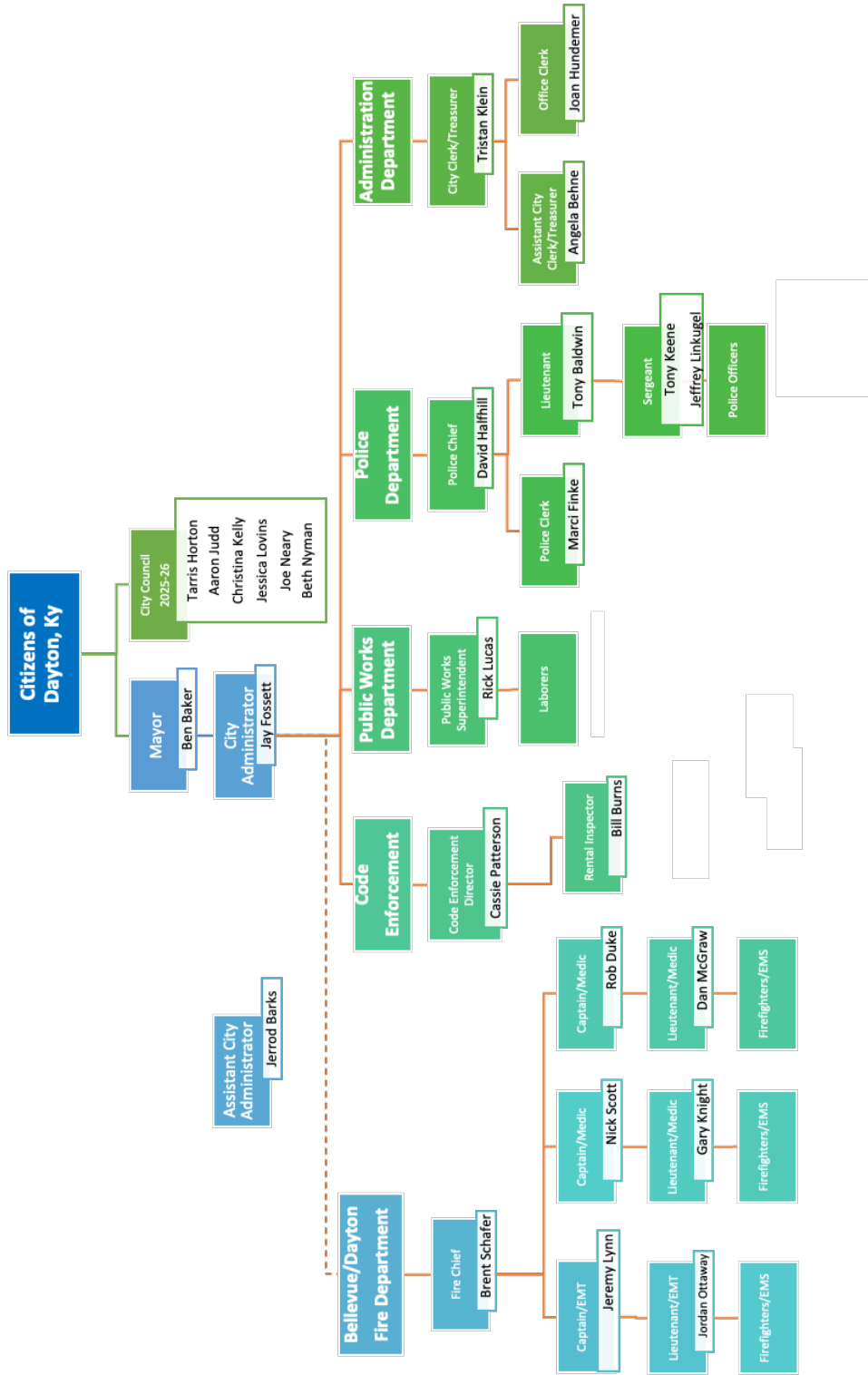
Dayton Independent Schools has earned the Kentucky Department of Education’s highest rating: Distinguished School District. Lincoln Elementary School has 650 students and approximately 350 students attend Dayton Middle/High School.

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 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 March 28, 2026, 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:

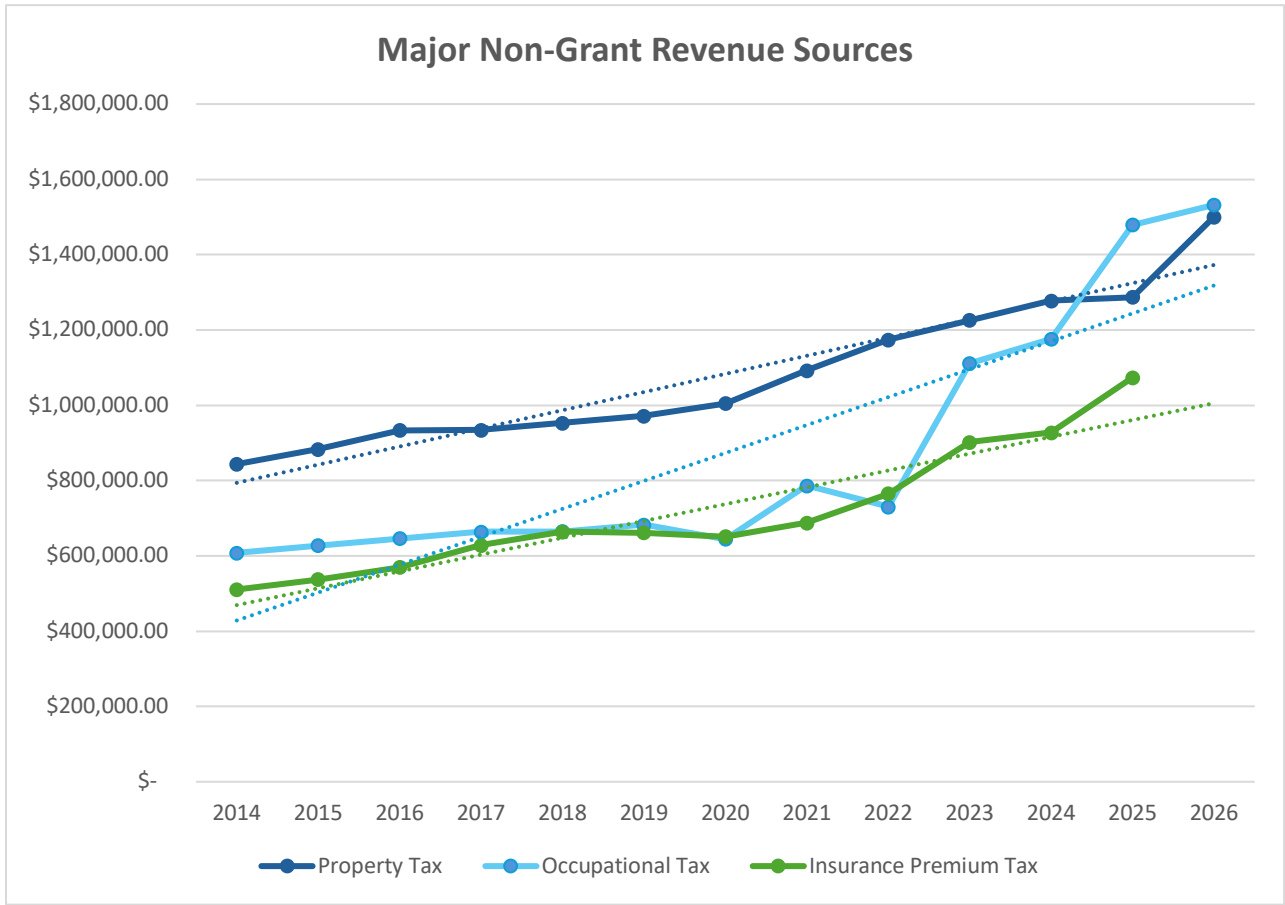
FY 2026-27 City Council Priorities

Rank	Project, Program, Initiative	Points
1	Activate/Improve/Repave City Alleys	29
2	Design and fund improvements to city gateways/entrances	25
3	Partner with Bellevue, Newport, and possibly Ft Thomas to conduct a robust traffic study with the goal of providing recommendations to cities on how to reduce the traffic burden.	21
4	Engage Park Design Professionals for updates to Monument, Clark Street, and Jamestown Parks	19
5	Plant More Trees	18
6	Partner with Campbell Co. Library and non-profits to provide life/professional skills and development training. (Consider something like congressional leadership program, C-change, etc. just smaller scale for Dayton)	17
7	Fund low-interest loan repair fund program for low- to moderate-income homeowners	17
8	Establish committee to work with Planning and Zoning/SD1 on stormwater issues	15
9	Revise Main Street Board into an Economic Development Board, focusing on business and residential growth throughout the city.	14
10	Focus on fixing curbs and sidewalks in the city. (Under existing city ordinances, residents are responsible for these repairs)	13
11	Set goals and develop mechanisms to track KPI for City Council and City Staff	10
12	Design and implement a plan to complete the remaining Grant Park drainage issues in conjunction with SD1 and residents	8
13	Renewed focus on enforcing existing nuisance ordinances and communications of common concerns to all Dayton residents.	6



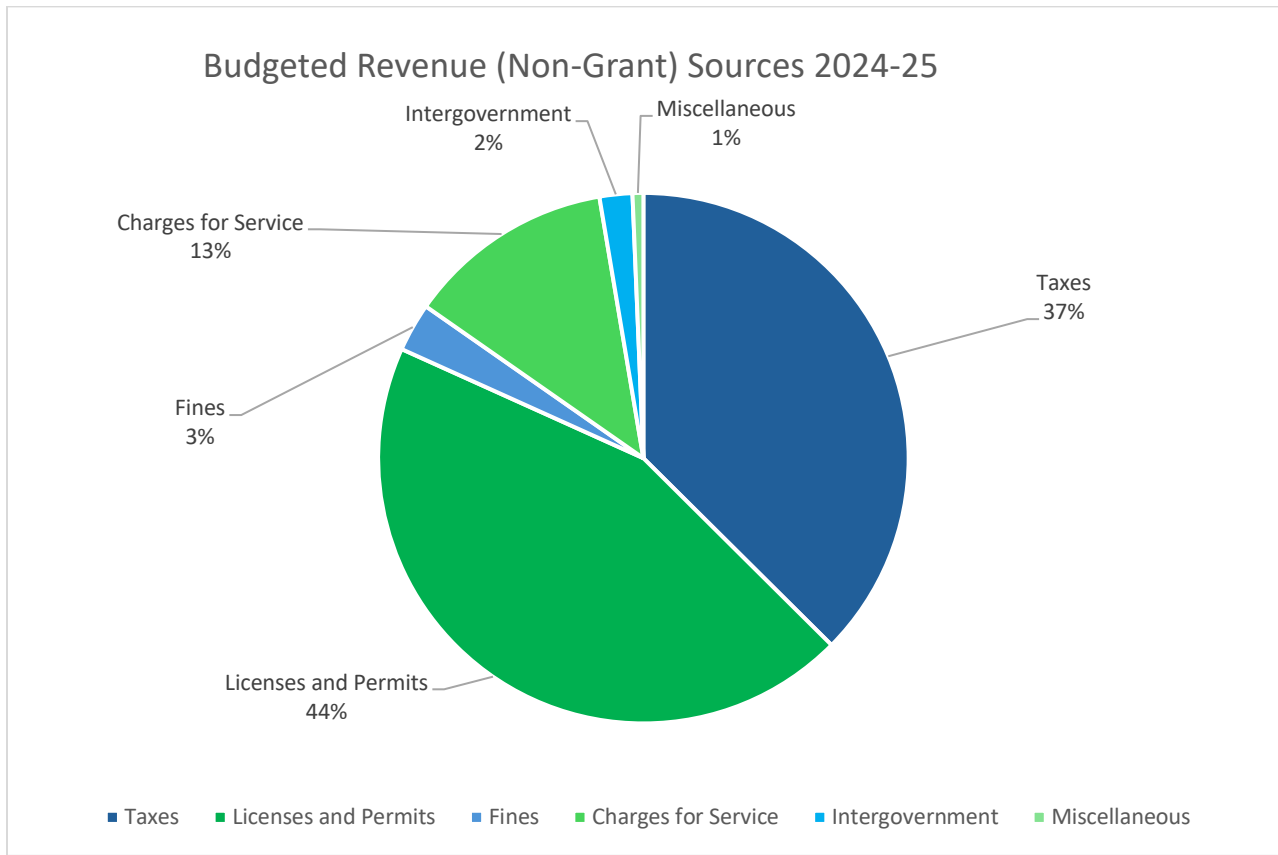
CITY REVENUES

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.

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- 16% 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- 26% OF REVENUE

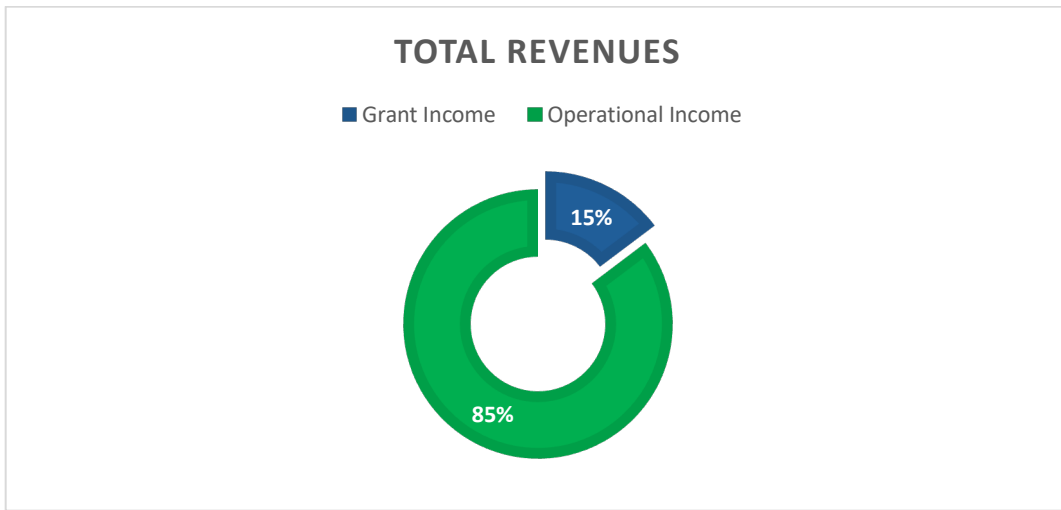
Occupational and payroll account for the highest of the largest three revenue streams in the city. Currently, the city has a step/grade net profit fee schedule. Payroll taxes are charged at 2.5% of payroll earnings in Dayton. The occupational rate at 2.5% compares with the rates charged by similar cities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

EXPECTED GRANT REVENUES

Grant Name	Total Project	Grant Award	Grant %	Issuing Agency
Dayton Pike Sidewalk Phase II	\$325,900	\$260,720	80%	KYTC
O'Fallon Bridge* <i>Split cost with Bellevue</i>	100,000 200,000	80,000 160,000	80%	KYTC
Riverfront Levee Trail	\$742,500	\$594,000	80%	KYTC
TOTAL:	\$1,168,400	\$934,720		

*Projects pending approval.

TOTAL REVENUES



Above: Total Revenues consist of operational (non-grant) and grant funds. Grant funds comprise 15% of the City's total revenues in the amount of \$934,720.00. Operational funds account for 85% of revenues at \$5,402,200.

REVENUE SCHEDULES

General Fund Revenues	2024-25 Budget	2025-26 Budget	YTD Actual Balance*	2026-27 Proposed
Taxes	\$2,040,000	\$2,222,155	\$2,303,202.17	\$2,285,000
Licenses and permits	\$2,505,200	\$2,708,200	\$2,770,652.06	\$2,703,200
Intergovernmental	\$71,000	\$118,000	\$68,276.49	\$122,000
Fines and Penalties	\$171,200	\$177,200	\$251,801.61	\$180,200
Charges for Services	\$415,500	\$471,550	\$791,645.02	\$771,550
Miscellaneous	\$622,750	\$565,250	\$842,273.92	\$65,250
Grant Restricted	\$3,273,260	\$3,201,920	\$1,623.93	\$894,720
Interest	\$30,000	\$30,000	\$38,244.86	\$30,000
Grand Totals	\$9,128,910	\$9,494,275	\$7,067,720.06	\$7,051,920

Municipal Road Aid Revenues	2024-25 Budget	2025-26 Budget	YTD Actual Balance*	2026-27 Proposed
Intergovernmental	118,000	\$160,000	\$132,034	\$108,500
Interest	500	\$600.00	\$158	\$100.00
Grand Totals:	118,500	\$160,600	132,191	\$108,600

Park Fund Revenues	2024-25 Budget	2025-26 Budget	YTD Actual Balance*	2026-27 Proposed
Property Tax	140,000	210,000	\$156,906.17	200,000
Other	400	400	\$5,000.00	400
Interest	1,000	1,000	\$1,028.03	1,000
Recreation Trail Grant	72,000	\$72,000	\$0	--
Grand Totals:	213,400	\$283,400	\$162,934.20	\$201,400

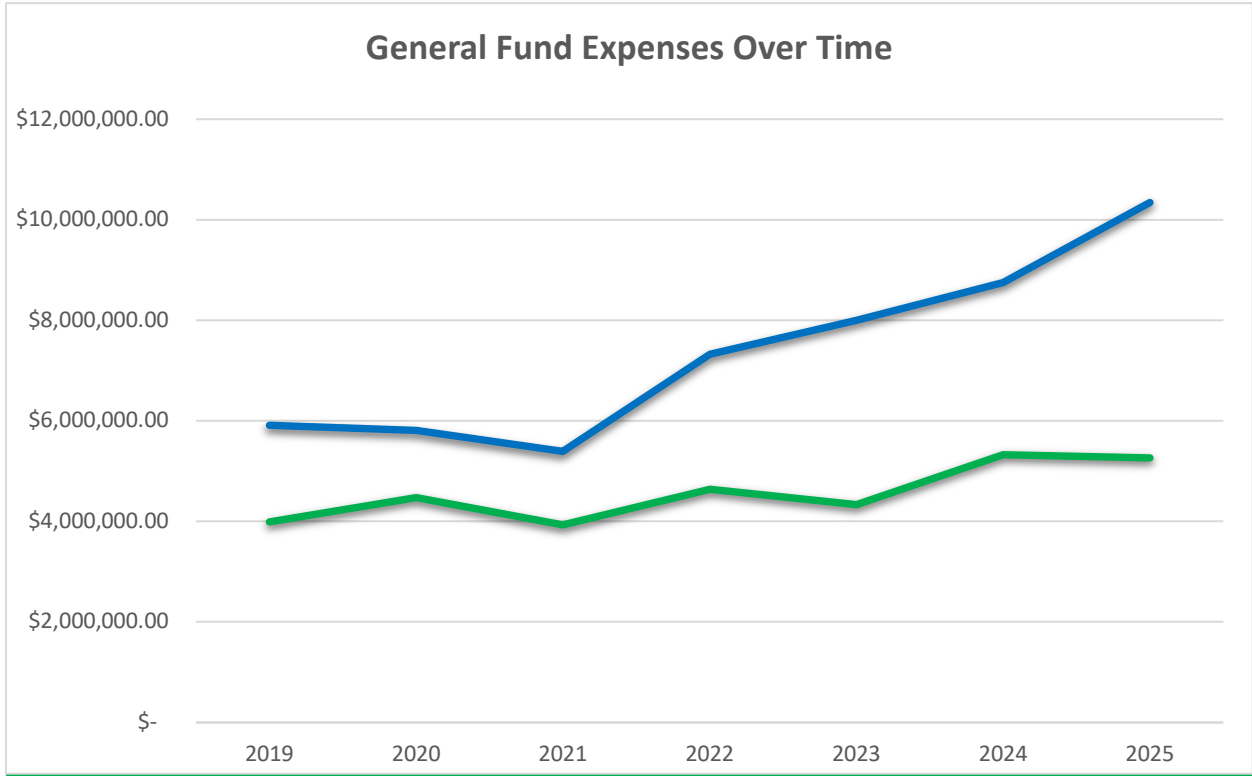
TIF Revenues	2024-25 Budget	2025-26 Budget	YTD Actual Balance*	2026-27 Proposed
Taxes	1,100,000	1,700,000	300,000	2,000,000
Interest	6,000	6,000	500	200
Grand Totals:	1,106,000	1,706,000	300,500	2,000,200

Economic Development Revenues	2024-25 Budget	2025-26 Budget	YTD Actual Balance*	2026-27 Proposed
Interest Revenue	\$7,000	7,000	\$6,217.41	7,000
Other Income:	--	--	\$14,115.19	25,000
Grand Totals:	\$7,000	\$7,000	\$20,332.60	\$32,000



CITY EXPENDITURES

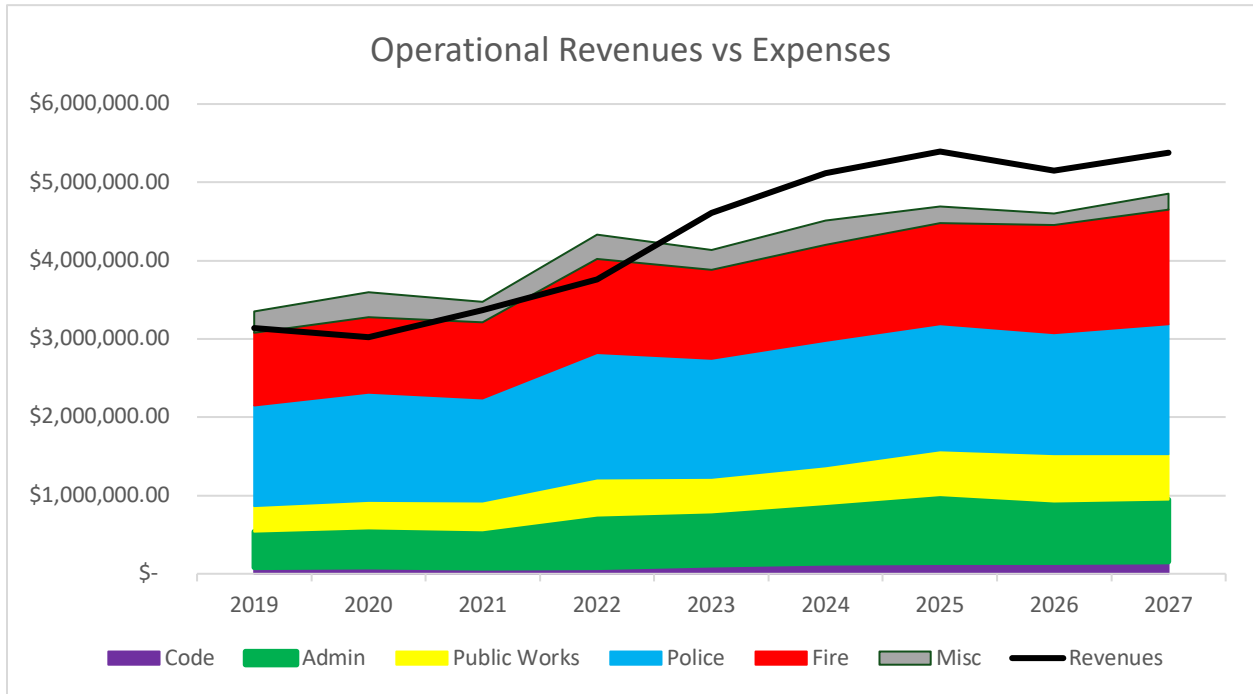
EXPENDITURES OVERVIEW



Shown above: A chart comparing the budgeted expenses by year (blue line) compared to actual expenses (green line). 2026 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.

OPERATIONAL EXPENSES

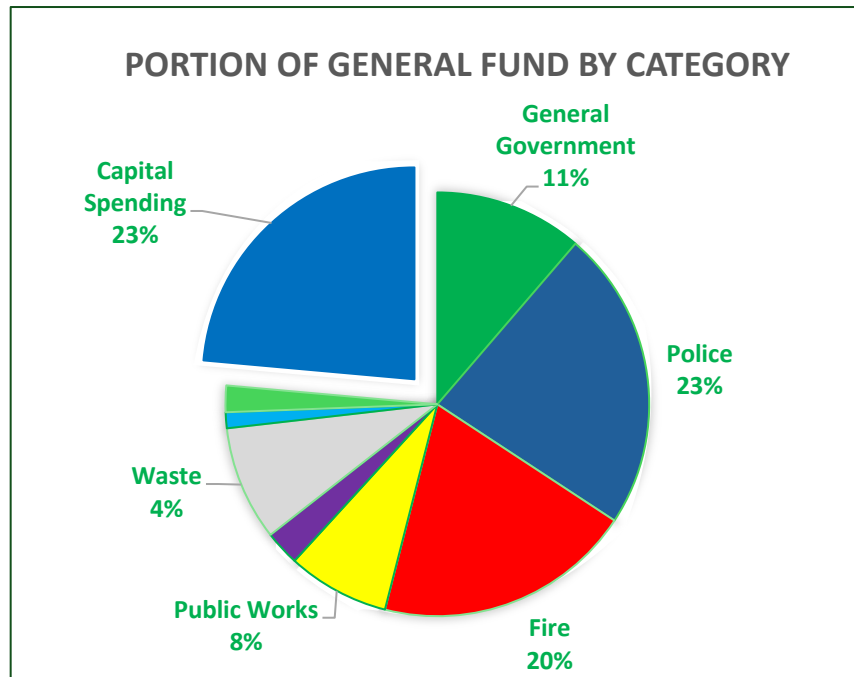


The City of Dayton defines “operational expenses” as those expenses that are required for the day-to-day operations of the city. Examples of operational expenses are supplies, employee salaries and benefits, equipment maintenance, fuel for vehicles, insurance, utility bills, etc. The graph above shows 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	2024-25 Budget	2025-26 Budget	2025-26 YTD Actual Balance*	2025-26 Proposed
General Government	\$753,950	\$850,000	\$819,782.14	\$839,300
Police	\$1,476,400	\$1,545,600	\$1,476,050.80	\$1,703,600
Fire	\$1,285,690	\$1,388,545	\$1,388,545.00	\$1,465,702
Public Works	\$553,350	\$600,000	\$509,700.74	\$583,850
Code Enforcement	\$148,650	\$150,000	\$120,101.67	\$197,800
Waste Collection	\$232,000	\$620,000	\$535,209.29	\$650,000
Miscellaneous	\$74,750	\$61,500	\$41,683.25	\$90,000
Professional Services	\$137,500	\$170,000	\$145,328.88	\$150,000
Capital Spending	\$5,557,240	\$6,482,400	\$2,707,970.61	\$1,750,900
Grand Totals	\$10,219,530	\$11,868,045	\$7,763,620.88	\$7,431,152



GENERAL FUND CAPITAL INVESTMENT PLAN

CITY VEHICLES

City of Dayton Leased Vehicles

DEPARTMENT	YEAR	VEHICLE
Police	2023	Dodge Durango
Police	2023	Dodge Durango
Police	2023	Dodge Durango
Police	2025	Dodge Durango
Police	2025	Dodge Durango
Police	2025	Dodge Durango
Police	2026	Dodge Durango
Police	2026	Dodge Durango
Police	2026	Dodge Durango
Police**	2027	Dodge Durango**
Public Works	2024	Ford F-450
Public Works**	2026	John Deere Gator**
Code Enforcement	2025	Nissan Frontier

** Bolded selections are new vehicles for the 2026-27 fiscal year

Police Vehicles Lease: \$162,000

The City of Dayton Police Department will be utilizing these funds to lease an additional police vehicle. For this coming fiscal year, the police will be adding one patrol SUV. This will increase their leased vehicles to a total of ten.

Police e-Bike: \$5,000

The City of Dayton Police Department will be utilizing these funds to purchase one (1) e-Bike for their patrols.

Public Works John Deere Gator ATV: \$40,000

The City of Dayton Public Works Department will be utilizing these funds to purchase a new John Deere Gator ATV and related attachments. This vehicle will be used to pick up trash on the City’s trails, water flowers on Sixth Avenue and recently planted trees in the City’s urban canopy as well for other Public Works activities, including maintenance of the Riverwalk trail along the Ohio River and the areas surrounding it.

Code Enforcement Vehicle Lease: \$8,000

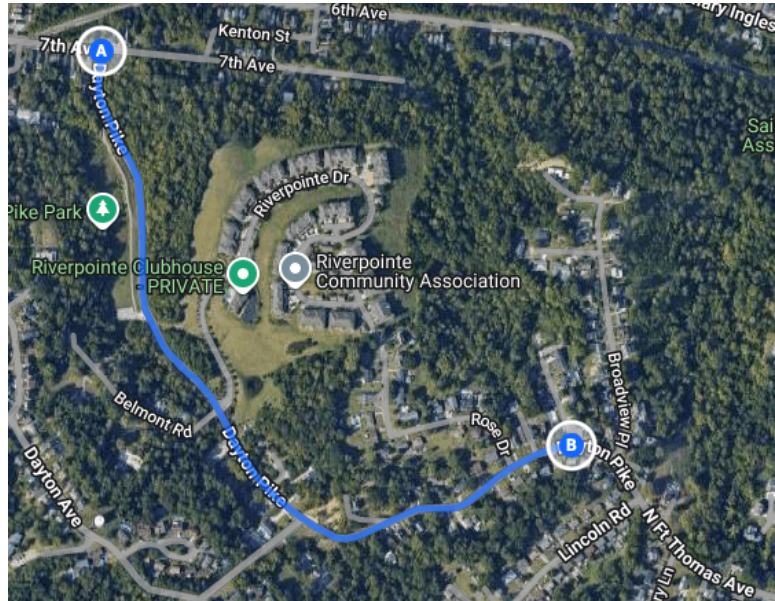
Public Works Vehicle Lease: \$24,000



STREET/ALLEY PROJECTS, REPAVING, AND REPAIR

Street Paving: \$128,500 (to be combined with \$78,00 Municipal Road Aid Funds)

Below is a list of streets that have been selected for repaving in the city. 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 been reduced and not kept pace with the rising costs of asphalt and paving projects, which is expected to increase in the coming fiscal year in light of increased oil costs associated with the wars in Iran and the Mideast. Therefore, the City sees the need to utilize its own funding from the general fund to ensure the streets in Dayton are properly 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
Dayton Pike	7 th Avenue	Chateau Ridge	\$151,000
Dayton Pike	Chateau Ridge	Ft Thomas Boundary	\$56,000
		Total Cost:	\$207,000

Some of Dayton Pike where the Northern Kentucky Water District replaced a water line is scheduled to be repaved during FY 2025-26. The remainder of this road will be repaved after sidewalks, curb, and stormwater outlets are constructed from Chateau Ridge to Fort Thomas. The City is also planning to make stormwater improvements to Dayton Pike from Riverpointe Drive to 7th Avenue and will be seeking matching funds for SD1 for some of this work.

Lincoln Road Stormwater Project: \$80,000

The City will be contributing up to \$80,000 to repair a stormwater drainage issue along Lincoln Road. SD1 will likely cost share this project lowering the overall cost by approximately 50% or \$40,000.

7th Street Alley: \$30,000

This is the City’s share of matching funds for an alley project with MBCC Property Management, LLC (“MBCC”), which is developing seven attached housing units at 1023 7th Avenue. These funds will be used for reconstruction of a portion of alley on Kenton Street at 7th Avenue. This project also includes stormwater remediation

improvements at the western end of the alley and new concrete on the ally slope up to 7th Avenue, which is in terrible condition. This alley also will be used by residents of the new development by MBCC. The City and MBCC are splitting the cost of this alley project, and any cost savings paid by SD1 as matching funds for the stormwater project will be shared by the City and developer equally. A development agreement for this project was approved by City Council in 2024.

CITY BUILDINGS AND INFRASTRUCTURE

New City Hall Building Design: \$50,000

The city is budgeting \$50,000 for a new City Hall design. A portion of the \$500,000 City Hall Reserved funding will be utilized. *See City Hall Funds on the next page for more details.*

New Public Works Garage Project: \$ - -

The design and due diligence portion of this project is ongoing. The city is currently working with building and design professionals to evaluate building needs and use. Construction will likely be in the next few fiscal years. No funding is budgeted for next year since the design portion was funded in FY 2026.

GENERAL FUND GRANT MATCH

Grant Project	Total Project Cost	Grant Award Amount	Grant Percentage	Local Match Amount	Local Percentage
Dayton Pike Sidewalk Phase II	\$325,900	\$260,720	80%	\$65,180	20%
Riverfront Levee Wall Trail	\$742,500	\$594,000	80%	\$148,500	20%
Riverfront Commons RAISE GRANT	\$120,000	\$120,000	100%	\$0	0%
O’Fallon Bridge**	\$100,000	\$80,000	80%	\$20,000	20%
TOTAL:	\$1,288,400	\$1,054,720		\$233,680	

**** Project Pending Approval**

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 boundary line, where the sidewalk will join the sidewalk that the City of Fort Thomas completed in 2021.

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

In 2025, the City of Dayton was awarded a TAP (Transportation Alternatives Program) grant to widen and repave the upper Riverfront Commons trail on top of the levee wall and make other improvements to this existing trail. The current trail is about 25 years old, is narrow, is not ADA capable, and has degraded over time.

Riverfront Commons RAISE grant: \$120,000

The City received \$120,000 from Southbank Partners to design and construct a pedestrian ramp connecting Manhattan Harbour Blvd at the Berry Street intersection with the Riverfront Commons path along the Ohio River. The design phase is ongoing.

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, which will replace and repair deteriorating concrete on the bridge. O’Fallon is the dividing line between the two cities, with each owning half of the street.

GENERAL FUND RESERVED FUNDING

City Hall Funds: \$450,000

These funds were paid to the City last year by Manhattan Harbour Project, LLC (“MHP”), the master developer of the Manhattan Harbour TIF Development Area, from TIF funds the City collected from city real estate taxes and PILOT payments on properties in this Development Area during the 2025-26 Fiscal Year. Under the TIF Development Agreement, the MHP was required to pay \$500,000 to the City to be applied toward the design and construction of a City Community Building. Pursuant to Executive Order 2025-4, Mayor Baker directed that this amount be placed in an interest-bearing savings bank account until it is used for the purposes outlined in the Development Agreement.

7th Street Slide Repair: \$350,000

The City received \$50,000 funding from the Kentucky Municipal Road Aid fund for this project in 2023, which the City used in 2024 to pay for geotechnical engineering services and engineering design plans needed to stabilize this hillside and the road. Last year, the City submitted requests through the Kentucky Transportation Cabinet’s County Priority Project Program to fund construction of this entire project and requested that both of the City’s legislators support this project during the 2026 General Assembly. However, this project was not included in the Commonwealth’s 2026-27 Fiscal Year budget. Because this road only continues to get worse, with the City receiving more complaints from residents on Sixth Avenue about water and other issues caused by this road condition, City staff is recommending \$350,000 be used to start repair work on this project. This amount will pay for installation of 40 piers along the north side of this road, which will stabilize the road until road construction/repavement can be finished in future budget cycle(s).

CITY STAFF LEVEL PROPOSED CHANGES

Administration

Staff Type	FY 2025	FY 2026 (Current)	FY 2027
Full-Time Staff	4	4	4
Part-Time Staff	1	1	1
Total Staff	5	5	5

Police Department

Staff Type	FY 2025	FY 2026 (Current)	FY 2027
Full-Time Staff	13	13	13
Part-Time Staff	0	0	1*
Total Staff	13	13	14*

Public Works

Staff Type	FY 2025	FY 2026 (Current)	FY 2027
Full-Time Staff	5	5	5
Part-Time Staff	0	0	0
Total Staff	5	5	5

Code Enforcement

Staff Type	FY 2025	FY 2026 (Current)	FY 2027
Full-Time Staff	1	1	2*
Part-Time Staff	1	1	0*
Total Staff	2	2	2

*Bolded Sections indicate a staffing level change for the department.

PARK FUND EXPENDITURES

Park Fund Categories	2024-25 Budget	2025-26 Budget	2025-26 YTD Actual Balance	2025-26 Proposed
Capital Spending	400,500	\$230,000	\$166,601.27	\$35,000
Park Repairs/Supplies	\$0	\$0	\$34,665.74	\$30,000
Ballfield Reserved	--	--	--	\$150,000
Park Upgrades	--	--	--	\$50,000
Bank Service Charge	\$0	\$0	\$114.00	\$0
Park Maintenance	\$77,500	\$77,500	\$77,500.00	\$77,500
Totals	\$478,000	\$307,500	\$278,881.01	\$342,500

NOTABLE PARK FUND CAPITAL EXPENDITURES

Sargeant Park Pavilion Retaining Wall: \$35,000

The retaining wall along the north-side of the Sargeant Park Pavilion will be reconstructed in FY 2027. Water drainage and gutter issues will also be addressed.

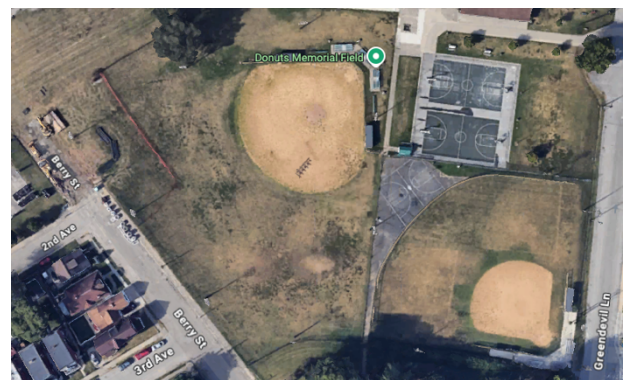
Park Upgrades: \$50,000

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. Current plans include park signage, murals, and park design.

PARK FUND RESERVED FUNDING

Ballfield Reserved: \$150,000 (Total Need: ~\$400,000)

The City of Dayton is working collaboratively with Dayton City Schools, the Red’s Community Foundation, and St Elizabeth Healthcare to improve the baseball and softball field facilities. The project is in its early planning stages; however, the city will reserve \$150,000 in funding to commit to this project in the upcoming fiscal year. More information will become available as planning is completed.



ECONOMIC DEVELOPMENT FUND EXPENDITURES

Economic Development Fund Categories	2024-25 Budget	2025-26 Budget	2025-26 YTD Actual Balance	2025-26 Proposed
Economic Development	\$75,000	\$75,000	\$7,007.59	\$35,000
Attorney's Fees	\$0	\$0	\$25,299.30	\$25,000
Business Assistance Grants	\$0	\$0	\$30,993.74	\$40,000
Homeowner Assistance Grants	--	--	--	\$35,000
Service Charges	\$0	\$0	\$159.00	\$200.00
Misc.	\$0	\$0	\$910.00	\$0
TOTAL:	\$75,000	\$75,000	\$64,369.63	\$135,200

NOTABLE ECONOMIC DEVELOPMENT FUND CAPITAL EXPENDITURES

Dayton Business Assistance Program Funds: \$40,000

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/>

City Sidewalk/Curbs 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 2026-27. The City will expand this program this year to allow all property owners in the city to use this grant to improve curbs, the maintenance of which are the responsibility of property owners under City ordinance. The same restrictions for the sidewalk grant will apply to curb projects with the exception that all property owners, not just homeowners, may use these funds for these improvements.

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

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

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

MUNICIPAL ROAD AID (MRA) FUND EXPENDITURES

Municipal Road Aid Fund Categories	2024-25 Budget	2025-26 Budget	2025-26 YTD Actual Balance	2025-26 Proposed
Road Maintenance	83,500	\$130,000	\$0	\$78,500
Public Works	\$30,000	\$30,000	\$30,000	\$30,000
TOTAL:	\$113,500	\$160,000	\$30,000	\$108,500

NOTABLE MRA FUND CAPITAL EXPENDITURES

Dayton Pike Repaving: \$78,500

The City will be utilizing most Municipal Road Aid funds to repave Dayton Pike from 7th Avenue to the boundary with Fort Thomas. The repaving project will follow the completion of the Dayton Pike Sidewalk Phase 2 construction project.

See page 28 for more details.

TAX INCREMENT FINANCING (TIF) FUND EXPENDITURES

TIF FUND Categories	2024-25 Budget	2025-26 Budget	2025-26 YTD Actual Balance	2025-26 Proposed
Expenses	1,106,000	1,150,000	\$1,592,691.51	\$2,470,000
Bank Charges	\$0	\$0	\$38.00	--
Debt Service	\$0	\$0	\$74,041.04	--
Manhattan Harbour Expense	--	--	--	--
Grant Park Expense	--	--	--	--
Pottebaum Point Expense	--	--	--	--
TOTAL:	\$1,106,000	\$1,150,000	\$1,666,770.55	\$2,470,000



FUND BALANCE

FUND BALANCE

Ending Fund Balances by Fiscal Year

FUND	2024	2025	2026 (Estimate)	2027 (Estimate)
General Fund	1,659,380	Pending	2,000,000	1,623,768
Municipal Road Aid	10,000	Pending	5,000	5,100
Park Fund	47,900	Pending	160,000	18,900
TIF	804,000	Pending	700,000	230,200
Economic Development	401,000	Pending	380,000	276,800

Expected Fund Balance for Fiscal Year 2026-27

FUND	Beginning (estimated)	Increase/(Decrease)	Percentage Change	Ending (estimated)
General Fund	2,000,000	(379,232)	-19%	1,620,768
Municipal Road Aid	\$5,000	+100	+2%	5,100
Park Fund	160,000	(141,100)	-88%	18,900
TIF	700,000	(469,800)	-67%	230,200
Economic Development	380,000	(103,200)	-27%	276,800