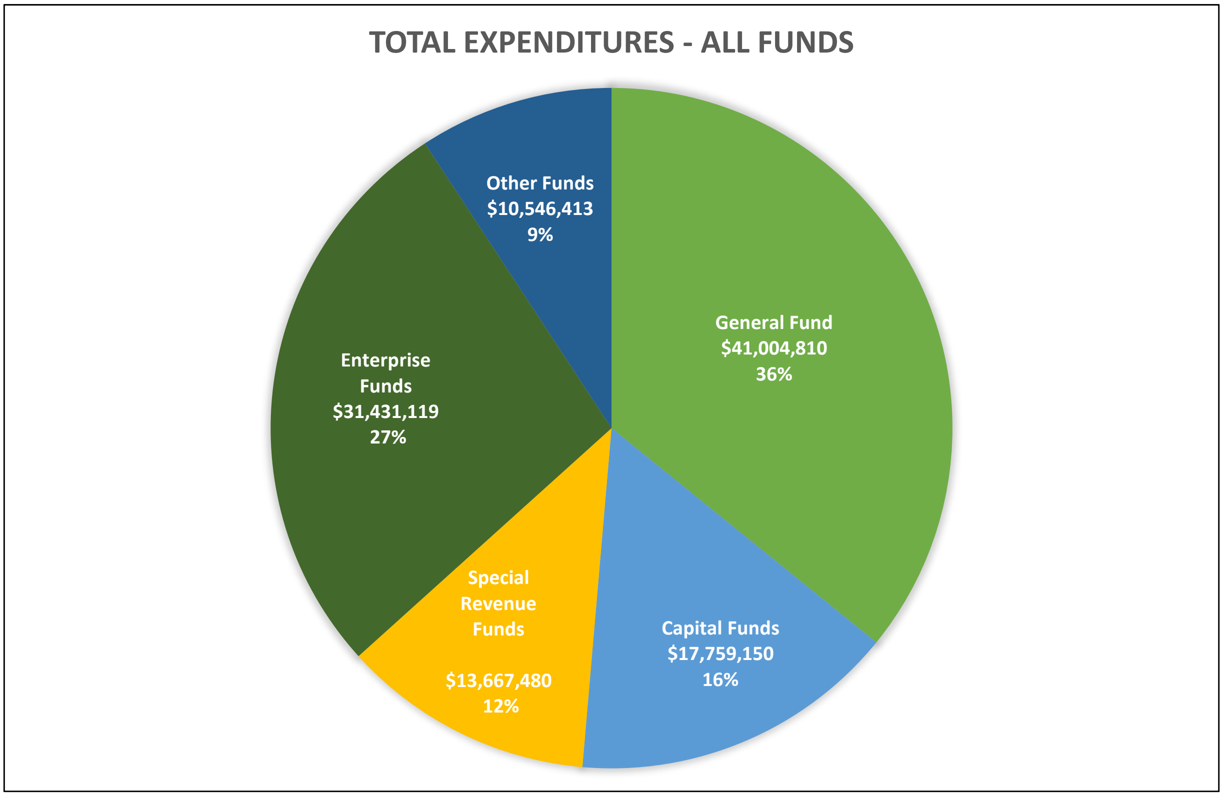
ALL FUNDS SUMMARY

Consolidated Financial Overview

The following is an overall financial summary of the City's funds presented in multiple forms to provide context on the City's revenue sources, expenditure types, and fund balances. Subsequent sections of the budget document include detailed narrative descriptions of the City's major funds and operating departments. Detailed revenue and expense line-item information is found within individual department and fund narratives.



Fund		Requested Appropriations	
General Fund			$ 41,004,810
Capital Funds			17,759,150
Special Revenue Funds			13,667,480
Enterprise Funds			31,431,119
	Stormwater	2,489,168	
	Water	11,448,144	
	Water Capital Improvement	2,768,712	
	Sewer	11,038,033	
	Sewer Capital Improvement	1,106,212	
	Refuse	2,580,850	
Other Funds			10,546,413
All Funds Total			**$ 114,408,972**

Fund Balance and Appropriation Summary

Fund	2025 Beginning Unencumbered Fund Balance	Revenue 2025 Budget	Expenditures 2025 Budget	Est. Funds Available to Appropriate 1 / 1 / 26	Revenue 2026 Budget	Expenditures 2026 Budget	Estimated 2026 Ending Fund Balance
GOVERNMENTAL FUNDS							
GENERAL FUNDS							
101-General Fund	34,162,710	38,952,231	42,804,627	30,310,314	41,052,031	41,004,810	30,357,535
750-Reserve for Sick & Vacation Fund	351,442	175,000	362,140	164,302	250,000	258,625	155,677
SPECIAL REVENUE FUNDS							
220-Street Fund	956,405	2,209,644	2,468,410	697,639	2,209,644	2,122,703	784,580
222-State Highway Fund	646,100	160,000	137,074	669,026	160,000	66,420	762,606
224-Tax Increment Fund	11,045,373	4,605,700	5,961,515	9,689,558	4,521,400	1,314,309	12,896,649
225-State Law Enforcement Trust Fund	180,998	50,146	50,146	180,998	20,000	92,300	108,698
226 - Enforcement & Education	27,931	4,500	4,500	27,931	4,500	25,000	7,431
227 - Parks & Rec Donation	25,696	0	0	25,696	0	0	25,696
228-Permanent Improvement Fund	97,215	4,733	18,931	83,017	0	0	83,017
229-Clerk of Court Computer Fund	186,334	29,100	97,500	117,934	25,000	62,000	80,934
231-County Permissive Tax Fund	65,991	662,000	220,000	507,991	0	0	507,991
232-Cul-de-sac Maintenance Fund	42,027	0	0	42,027	0	0	42,027
234-Court Computerization Fund	65,389	10,800	2,500	73,689	800	0	74,489
235-Federal Law Enforcement Seizure Fund	5,295	5,000	5,000	5,295	1,000	4,000	2,295
236-Treasury Law Enforcement Seizure	35,488	12,000	12,000	35,488	12,000	15,000	32,488
237-AG Peace Officer Training	70,999	74,225	74,225	70,999	79,000	100,000	49,999
238-Street Tree	51,165	0	0	51,165	0	0	51,165
239-OCJS Grant	76,050	0	0	76,050	50,000	10,000	116,050
240-Public Safety Fund	304,141	1,805,600	1,947,375	162,366	2,079,920	1,924,648	317,638
241-Right of Way	684,601	632,500	635,000	682,101	632,500	295,000	1,019,601
242-Parks & Recreation Fund	1,339,185	2,567,900	2,893,315	1,013,770	2,722,440	3,572,926	163,284
243-Public Service Fund	1,876,375	1,376,870	1,977,376	1,275,869	1,391,790	2,027,020	640,639
244-Opioid Settlement Fund	92,326	0	0	92,326	0	50,000	42,326
510-Police Pension Fund	671,133	1,615,654	1,601,881	684,906	1,705,529	1,705,529	684,906
515-Police Duty Weapon Fund	6,595	22,000	22,000	6,595	22,000	22,000	6,595
530-Public Landscape Trust Fund	7,816	0	0	7,816	0	0	7,816
838-Recreation Scholarship	6,522	0	0	6,522	0	0	6,522
CAPITAL FUNDS							
322-State Grant Fund	0	175,000	175,000	0	0	0	0
323-OPWC Fund	-999,999	1,000,000	0	1	0	0	1
325-Capital Improvement	17,204,571	15,028,500	19,169,009	13,064,062	14,004,900	17,759,150	9,309,812
327-Park Fund	337,037	0	0	337,037	0	0	337,037
328-Park-in-Lieu of Fees Fund	12,943	0	0	12,943	0	0	12,943
329-Court Building Fund	364,046	16,800	0	380,846	16,800	0	397,646
330-Federal Highway Grant Fund	65,316	0	0	65,316	0	0	65,316
DEBT SERVICE							
431-General Bond Retirement Fund	1,481,650	6,146,119	6,148,686	1,479,083	5,991,890	5,991,890	1,479,083
PROPRIETARY FUNDS							
ENTERPRISE FUNDS							
631-Stormwater Fund	4,056,184	1,291,585	2,715,854	2,631,915	1,853,472	2,489,168	1,996,219
641-OEPA Grant	913	0	0	913	0	0	913
651-Water Fund	5,805,849	9,049,070	10,211,632	4,643,287	10,043,560	11,448,144	3,238,703
652-Water System Capital Improvement Fund	4,590,511	1,769,000	2,058,457	4,301,054	1,488,970	2,768,712	3,021,312
661-Sewer Fund	6,915,725	9,241,200	9,909,082	6,247,843	10,790,003	11,038,033	5,999,813
662-Sewer System Capital Improvement Fund	6,530,392	1,461,275	3,452,682	4,538,985	1,766,175	1,106,212	5,198,948
850-Refuse Escrow Fund	780,992	2,329,800	2,567,650	543,142	2,649,324	2,580,850	611,616
INTERNAL SERVICE FUNDS							
900-Workers Compensation Self Insurance Fund	443,023	465,542	290,260	618,305	498,475	314,523	802,257
901-Risk Insurance Self Insurance Fund	121,544	0	120,000	1,544	120,000	120,000	1,544
902-Health Insurance Self Insurance Fund	0	0	0	0	4,466,345	3,360,000	1,106,345
CUSTODIAL FUNDS							
800-Unclaimed Funds	31,386	0	0	31,386	0	0	31,386
835-Senior Escrow Fund	7,258	0	0	7,258	0	0	7,258
836-Park Facility Deposit Fund	15,526	0	0	15,526	0	0	15,526
837-Veterans Memorial Fund	6,472	0	0	6,472	0	0	6,472
860-Developers Escrow Fund	3,494	900,000	900,000	3,494	760,000	760,000	3,494
ALL FUNDS TOTAL	**100,856,135**	**103,849,494**	**119,013,827**	**85,691,802**	**111,389,468**	**114,408,972**	**82,672,298**

Use of Funds By Department

Fund Title	Department of Law	City Council Office	Office of the Mayor	Clerk of Courts	Human Resources	Finance	Information Technology	Parks & Recreation	Development	Public Safety	Public Service	Planning	Engineering
101-General Fund	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	
220-Street Fund											♦		♦
222-State Highway Fund											♦		♦
224-Tax Increment Fund						♦		♦	♦		♦		♦
225-State Law Enforcement Trust Fund										♦			
226-Enforcement & Education Fund										♦			
227-Parks & Rec Donation Fund								♦					
228-Permanent Improvement Fund								♦					
229-Clerk Computer Fund				♦									
231-County Permissive Tax Fund													♦
232-Cul-de-sac Maintenance Fund													♦
234-Court Computer Fund				♦									
235-Federal Law Enforcement Seizure Fund										♦			
236-Treasury Law Enforcement Seizure Fund										♦			
237-AG Peace Officer Training Fund										♦			
238-Street Tree Fund								♦			♦		
239-OCJS Grant Fund										♦			
240-Public Safety Fund										♦			
241-Right of Way Fund											♦		♦
242-Parks & Recreatrion Fund								♦					
243-Public Service Fund											♦		♦
244-Opiod Settlement Fund	♦									♦			
322-State Grant Fund								♦			♦		♦
323-OPWC Fund											♦		♦
325-Capital Improvement Fund						♦	♦	♦	♦	♦	♦		♦
327-Park Fund								♦					
328-Park-in-Lieu of Fees Fund								♦					
329-Court Building Fund				♦									
431-General Bond Retirement Fund						♦							
510-Police Pension Fund										♦			
515-Police Duty Weapon Fund										♦			
530-Public Landscape Trust Fund								♦					
631-Stormwater Fund											♦		♦
651-Water Fund											♦		♦
652-Water System Capital Improvement Fund											♦		♦
661-Sewer Fund											♦		♦
662-Sewer System Capital Improvement Fund											♦		♦
750-Reserve for Sick & Vacation Fund						♦							
800-Unclaimed Funds						♦							
835-Senior Escrow Fund								♦					
836-Park Facility Deposit Fund								♦					
837-Veterans Memorial Fund								♦					
838-Recreation Scholarship Fund								♦					
850-Refuse Escrow Fund											♦		
860-Developers Escrow Fund													♦
900-Workers Compensation Self Insurance Fund					♦								
901-Risk Insurance Self Insurance Fund						♦							
902-Health Insurance Self Insurance Fund					♦								

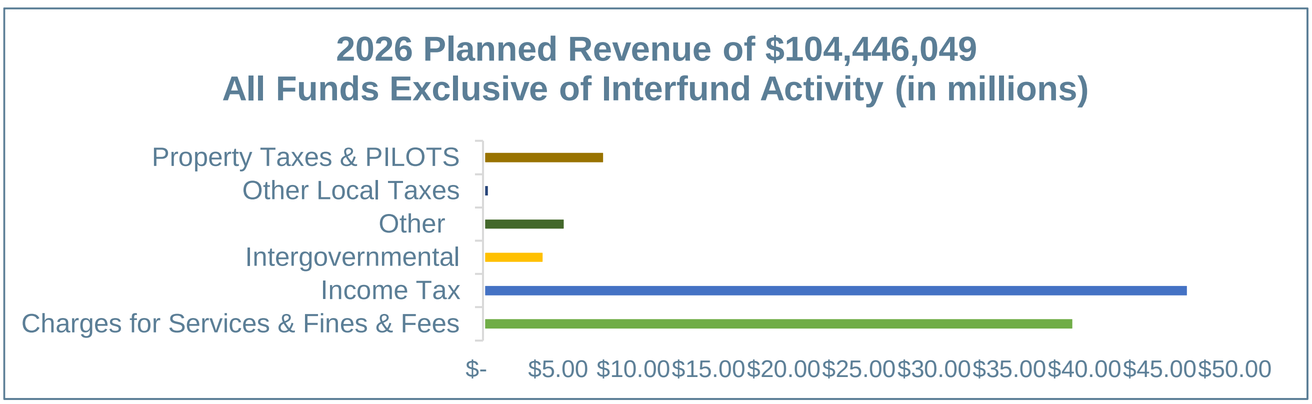
Revenue Sources

The City's revenue sources include limited taxes, charges for services, State revenue sharing, earnings on investments, and others. State and local laws, community demographics, and economic factors all influence the City's revenue.

The following pages provide estimates of the City's largest revenue sources, including actual historical collection data and revenue forecasts for 2026-2030.

Gahanna uses a variety of methods to forecast revenue, including trend analysis, estimates from other government sources, and third-party analysis. As actual revenue data is received each year, forecasts are reviewed, validated, and updated as needed to maintain as accurate a forecasting model as possible. Revenue growth is forecasted in a conservative manner to ensure that spending decisions are made that do not over-obligate the City.

The graph below identifies all City revenue sources planned for 2026 exclusive of inter-fund transfers, which are anticipated to total $6,943,419.



Income Tax

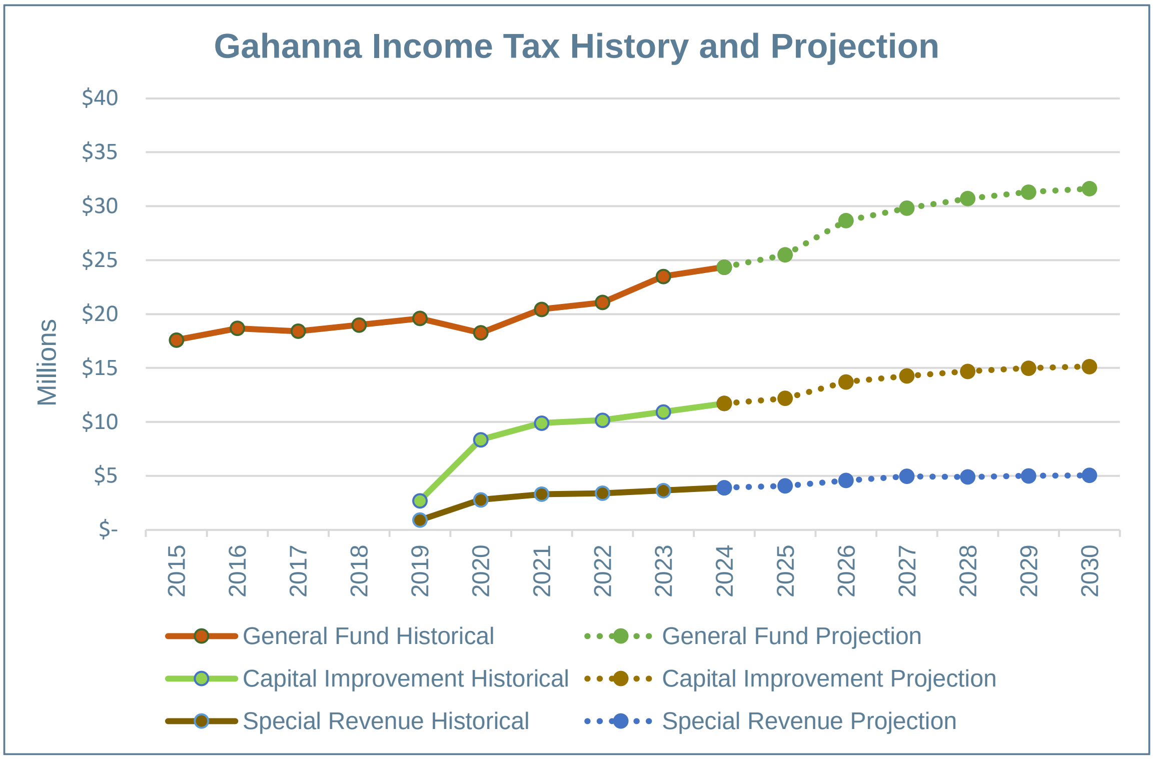
Gahanna's local income tax rate is 2.5% on income earned, with 100% credit applied to the lesser of Gahanna's income tax or the income tax residents pay to another municipality. Businesses are subject to the rate of 2.5% on net profits. Of the 2.5% assessed, 1.5% of the total amount assessed is for general operations of the City and is projected to be $28.7 million for 2026. The remaining 1% of the total amount assessed is split between multiple funds. Seventy-five percent (75%) of the remaining 1% is restricted to capital improvements. This portion is posted to the Capital Improvement Fund and is projected to be $13.7 million for 2026. The remaining 25% of the 1% is restricted for operational costs associated with public safety, public service, and parks and recreation, and is posted to one of three separate Special Revenue Funds for each purpose. The total projected for special revenue in 2026 is $4.6 million. The amount posted to each Special Revenue Fund is based on the percentage of total net costs planned for each activity within the Special Revenue Funds, along with unreserved fund balance carried forward. This is the largest source of revenue for these funds.

Gahanna utilizes the Regional Income Tax Agency (RITA) to administer income tax collections for the City, resulting in offsetting Finance Department operational expense of approximately 1% of total collections each year. Gahanna's income tax revenues are made up of three sources: business withholdings, net profits of businesses in Gahanna, and resident returns. In 2024, 79% of Gahanna's local income tax came from business withholdings, 12% from the net profits of Gahanna businesses, and 9% from resident returns.

Income tax revenue is forecasted using historical collection data and a twelve-month rolling collections analysis. Tax collections are sensitive to economic pressures, which affect employment and earnings. The City is currently experiencing economic growth, generating a 13% increase to date for 2025, which is 8% more than what was projected. The main driver of the excess is related to income tax collections on net profits of businesses, which is unusual. Withholding taxes typically have the largest increases during economic growth and the increase in withholding taxes for 2025 is 5.4%, which is in line with the 5% increase that was projected for 2025. An analysis of net profit collections did not identify any one industry or business as the root cause for this unusual increase. There are varying factors that impact business net profits including pricing policies, operational costs, capital investment, and the ability to roll forward net operating losses for up to five years. Because of the unpredictability of net profits beyond historical collections, withholding taxes will be used as the base for determining future increases.

Nationally, the economy appears to be favorable with AI generating economic growth; however, inflation is remaining stubborn above the 2% target and is beginning to trend upward as price increases from tariffs are starting to show. The job market is weakening with unemployment rising, hiring slowing, and payrolls declining. This is mainly driven by federal reductions that have been made. It is difficult to determine what this may mean for the City of Gahanna over the next five years. Regionally, the area continues to see growth and economic diversification despite what is happening at the national level. It is anticipated that this growth will continue through 2030.

Based on this current growth, income tax revenue is expected to increase by 4% for 2026 and 2027, with a slowdown anticipated for 2028 to 2030, dropping to a 3% increase for 2028, 2% for 2029, and 1% for 2030. While this growth is expected to continue for the City and the Central Ohio area in general, there are certain challenges the City will need to consider, resulting in a lower projected increase beyond 2027. Nationally, trade and immigration policies could cause a slowdown. Locally, there is limited inventory of developable space for the City, and housing, infrastructure, and workforce development may not be able to keep pace, which are challenges for the Region as a whole. Although the increase in revenue is expected to drop, it is still anticipated that the City's economic and taxable income base will continue to generate additional revenue through 2030.

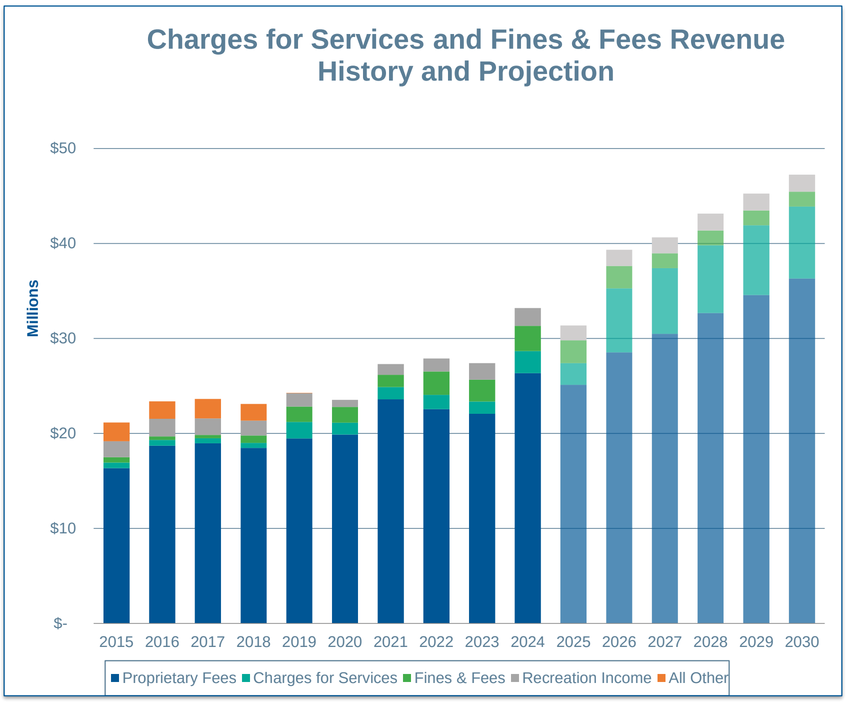


Note: 2019 represents five months of collections for the Capital and Special Revenue Funds. 2020 represents the first full year of collections for these funds.

Charges for Services & Fines and Fees

The second largest source of revenue across all funds is Charges for Services and Fines & Fees, with an estimated $39.3 million in revenue planned for 2026. Over 72% of this revenue source, or $28.5 million, is comprised of proprietary charges for services for the City's Water, Sewer, Stormwater, and Refuse Utilities. These Enterprise Funds operate like private businesses, where the cost of providing services is recovered by user charges. Each year, the Director of Public Service and the Senior Deputy Director of Administrative Services develop a fee structure that is adequate to fund current operations and capital needs, including maintaining an appropriate reserve level. These fees are adopted by City Council annually. More information about the City's Enterprise Fund rates can be found in the Enterprise Funds section of this budget document.

Proprietary fee revenue continues to increase, as water and sewer rates set by the City of Columbus continue to rise. The City purchases water and sewer services from the City of Columbus and sells these services to businesses and residents in the City. This, along with anticipated increases for other operational costs and infrastructure improvements, necessitates rate increases.



Other primary sources of Charges for Services and Fine & Fee revenue collected include: parks and recreation charges for services ($1,685,000 planned for 2026), administrative charges for services ($6,022,220 planned for 2026), cable franchise & cell tower rental fees ($390,175 planned for 2026), fines and fees collected by the City's Mayor's Court and charges for services for providing court services to the City of New Albany ($345,000 planned for 2026), and income tax penalty and interest ($546,500 planned for 2026). These revenue sources are estimated based on historical collection trends and estimated activity for the upcoming year. Administrative charges have a large increase planned for 2026 for self-insurance health premiums. The City is moving from the Central Ohio Healthcare Consortium and will begin administering a self-insurance plan for medical and prescription benefits. Employee and employer premium deductions will be paid into the new health self-insurance fund to cover the cost of claims and associated administrative expenses.

Real Estate Taxes & Payments in-lieu-of Taxes (PILOTS)

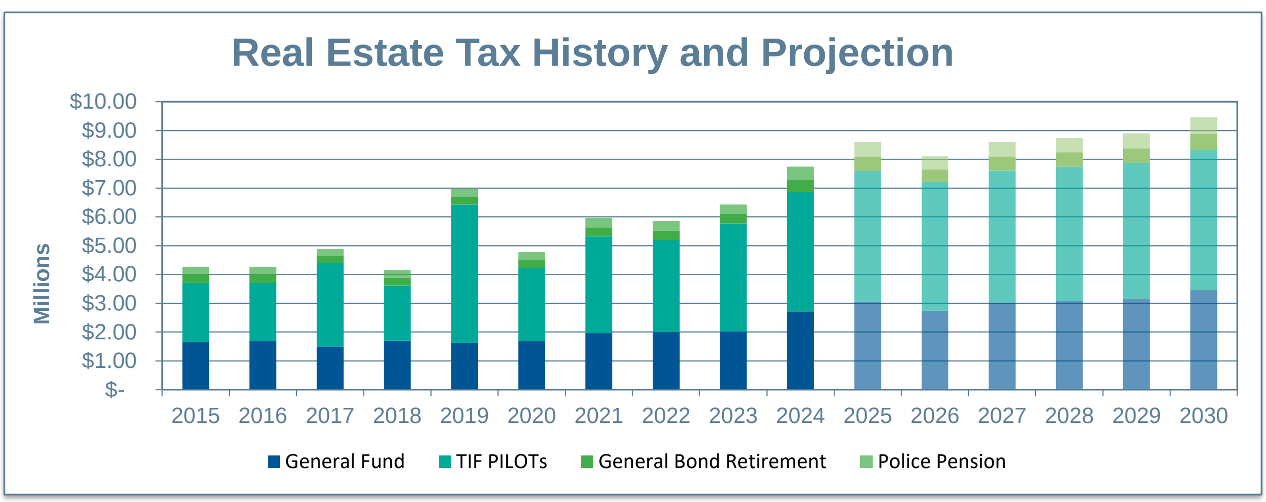
Real estate taxes and payments in-lieu-of taxes (PILOTS) are the third largest source of revenue citywide and are estimated to total $8.1 million in 2026. This category includes real estate tax payments received in the General Fund, Police Pension Fund and General Bond Retirement Fund, as well as payments in-lieu-of taxes (PILOTS) received in the City's Tax Increment Financing (TIF) Fund.

The full tax rate for all City operations is $2.40 per $1,000 of assessed value, with $1.81 going to the City's General Fund, $0.29 allocated to the General Bond Retirement Fund, and $0.30 to the Police Pension Fund. All of Gahanna's assessed millage is within the State's unvoted 10-mill limitation. The City has no voted millage.

Properties in Gahanna are taxed on 35% of their assessed valuation, with partial credits provided for statewide homestead and rollback programs to encourage homeownership. The State reimburses Gahanna for revenue lost by these credit programs, and these reimbursements are included as part of intergovernmental revenue. The taxable assessed value for properties in Gahanna was most recently calculated in 2024 for taxes collected in 2025.

Property Classification	Amount	Percent
Real Estate	$1,629,973,110	96%
Public Utility	$68,197,290	4%
Total	**$1,698,170,400**	**100%**

The County completes a comprehensive appraisal of properties every six years with an update every three years following the appraisal. The most recent sexennial update took place in 2023 for tax year 2024, with property values increasing by historic levels of 40% on average. The Franklin County Auditor estimate anticipated a 12% increase over 2024 actual collections for 2025; however, this will not be obtained for 2025. Actual collections for 2025 are less than actual collections for 2024. The estimate provided by the Franklin County Auditor for 2026 was adjusted downward based on actual collections for 2025. Beyond 2026, values are estimated to remain relatively consistent, and a 2% increase has been projected except for 2027 and 2030. There will be a triennial appraisal in 2026 and another sexennial in 2029; a 10% increase is projected for collection year 2027 and 2030 based on past appraisal increases. TIF PILOT revenue is anticipated to grow as parcels within the TIF districts begin to produce incremental revenue through property improvements.



Intergovernmental

The City receives revenue from other governments through revenue sharing, reimbursements, and grants. The most significant intergovernmental revenue sources are discussed in the following sections.

Gas and Motor Vehicle Taxes

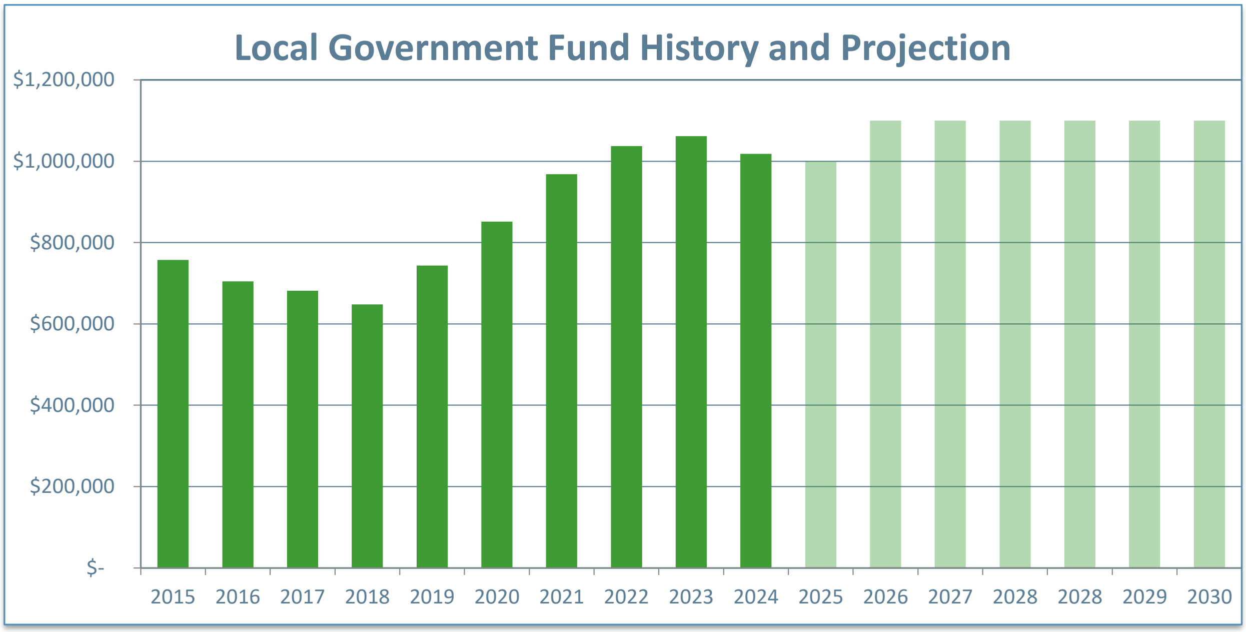
The gas tax is distributed to the City from the State of Ohio based upon the number of vehicles registered in Gahanna compared to the total number of vehicles registered in Ohio. The State levies an excise tax which was increased in July 2019 to $.385 per gallon of gasoline; diesel and all other fuel types to $.47 per gallon; and compressed natural to $.10 per gallon. A portion of these taxes are allocated to cities according to formulas set forth in ORC §§5735.23, 5735.26 and 5735.291.

The City also receives motor vehicle license taxes in the amount of $6.80 per passenger vehicle, and vehicle registration permissive tax in the amount of $7.50 per registered vehicle. In July 2019, the State increased the permissive tax cap per taxing district from $25 to a cap of $30, which would allow the City to enact an additional $5 of permissive license tax under ORC §4504.173. Council would be required to pass an ordinance levying the new tax. To date, Council has not opted to levy this additional tax.

A 2% increase was estimated for 2025 based on 2024 year-end results. Based on collections to date, collections will be in line with the 2025 estimate. Based on the past three years of collections, no increase in revenue has been projected through 2030. While population growth may increase vehicle registrations for the area, the movement to electric or other alternative fuels for vehicles continues. This movement is anticipated to cause a significant decline, but this is not expected to occur over the next five years. It is expected that downward trend will begin between 2035 and 2050.

Local Government Fund

Gahanna receives Local Government funds (LGF) from the State of Ohio to support general governmental activities. The amount the City receives is based on the health of the State's General Revenue Fund. During the past two biennium budget cycles the State has been moving to a flat income tax rate which may reduce general revenues available for distribution.



The Local Government Fund was significantly reduced as part of the 2012-2013 State budget resulting in reductions for the City exceeding $600,000. Over the years, the State General Revenues have experienced growth, and slight increases have been made to the State allocation to the Local Government Fund with the most recent increase authorized as part of the State 2026-2027 Budget, increasing by .05% to 1.75%. Although this will add approximately $530 million to the Fund, tax reform and reallocation of general revenues for other purposes could potentially impact the amount available for distribution. The slight adjustments made by the State have never restored the funding back to pre-2012 levels. For 2025, $1 million was estimated, a reduction of 10% compared to 2024 estimates because of uncertainties surrounding tax reform and redirection of State general revenues. Based on collections to date for 2025, it appears collections are comparable to 2024 estimates. For 2026, a 10% increase was made, and this will remain at zero growth through 2030. State legislation will be monitored for impacts to local government funds.

Other Intergovernmental

Other Intergovernmental Revenue consists of homestead and rollback reimbursements, federal forfeiture revenue sharing, state forfeiture revenue sharing, and grants. For 2026, the City has estimated $640,000 in other intergovernmental resources.

All Other Sources

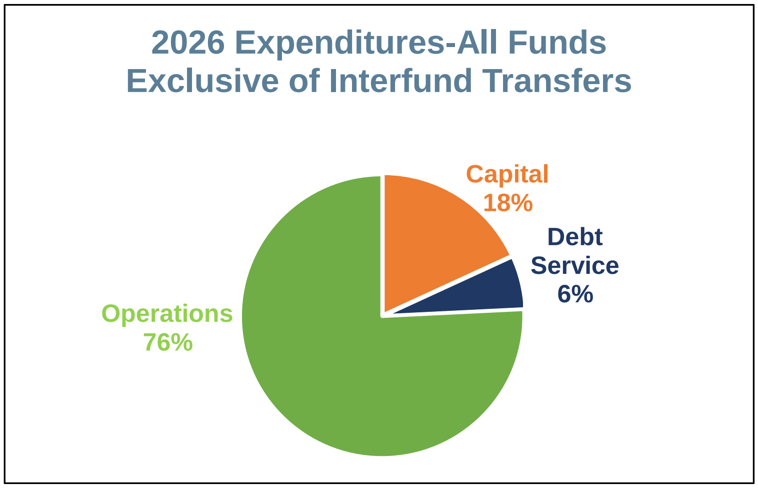
The remaining sources of citywide revenue are described below:

Source	Description	Planned 2026 Revenue
Other Taxes	The City's Lodging Tax (6% of lodging revenue)	$462,830
Interest & Investment Income	Investment earnings are a function of the cash available for investments, market interest rates and allowable investments per the City's investment policy.	$4,540,000
Miscellaneous Income	Miscellaneous income includes unanticipated amounts received from donations, the sale of assets, insurance settlements, and any other unforeseen sources that do not fit any of the other identified categories.	$278,800
Licenses & Permits	City Code requires individuals to obtain a license or permit for various activities to be conducted within City limits, such as building permits, solicitor permits, installer licenses for water and sewer services, etc.	$674,200

Lodging taxes are continuing to rebound, and 2025 actual collections are projected to exceed original estimates. A 5% increase has been projected for 2026 based on 2025 actual collections projected to the end of the year. Modest increases of 2% have been planned for 2027-2030. Investment income is projected to begin trending down with the most recent rate reduction of 25 basis points in September 2025. Although inflation remains stubborn and is beginning to rise again, more reductions are anticipated before the end of the year. The City has also been expending bond funds for the new civic center. These funds were invested and are earning interest, pending eligible disbursement. Interest revenue is expected to decrease by $2.26 million for 2026. For 2027 to 2030 additional rate reductions are expected before normalizing around 3% in 2030. This is expected to reduce investment income by 33% or $1.5 million by 2030 compared to 2026.

Expenditures

The current expenditures in the consolidated financial overview are divided into three separate components: Operating Expenditures, Capital Outlay, and Debt Service. In 2026, Operating Expenditures include funding for all departments and divisions and the cost of providing daily services to the residents. Total operating expenditures are estimated at $81.4 million, or 76% of current expenditures. Total Capital Outlay is estimated at $19.5 million, or 18% of total expenditures. Expenditures toward Debt Ssrvice are estimated to be $6.5 million, or 6% of total expenditures. This consolidated financial overview combines all expenditures proposed in the budget.



Operating Expenditures

The 2026 total operating expenditures of $81.4 million are 3% more than 2025 appropriations, as amended. This increase includes one-time initiatives to begin implementing Our Gahanna, the City's strategic and economic development plan that will help shape the future of the City over the next ten years. Our Gahanna is expected to be adopted by Council in 2025. There are also one-time requests to begin the transition to the new civic center. The transition to 825 Tech Center Drive includes an increase in staffing for maintenance and janitorial work and associated materials and supplies. The City currently contracts this work to a third party. Once the transition is complete, the increase in salaries and benefits will be offset by a reduction to contract services.

As a service organization, the City provides services that protect and enhance the quality of life for its citizens. The consolidated financial overview classifies these services as follows:

- General Government: Overarching management and general administration of City government and operations; includes Mayor's Office, City Council, City Attorney, Mayor's Court, Civil Service, Records Administration, Human Resources, Finance and Public Services.
- Security of Persons & Property: Provides for public safety of the City; includes Police, Dispatch/911, and Emergency Management.
- Transportation: Provides for the safe and effective transport within the City; includes fleet, street maintenance and engineering.
- Community Environment: Provides planning and permitting services to ensure economic growth and improvements are conducted in a safe and uniform manner; includes Economic Development, Planning, and Information Technology.
- Leisure Time Activities: Operation & maintenance of city-owned parks, recreation programming, pools, golf course and Senior Center.

The Department narratives that follow summarize actual operating expenditures for 2023 and 2024, appropriations for 2025 as amended, and the 2026 budget request for the General Fund. Line-item revenue and expenditure details are provided in Appendix A of this document.

The City uses three main categories to budget for ongoing operations: salaries and benefits, contract service, and materials & supplies.

Salaries and Benefits

Salaries and benefits include the funds needed to pay all salaries and wages, employee benefits (such as health insurance), and legally mandated fringe benefit expenses (such as pension contributions and Medicare). In general, salaries and benefits make up 44% of total operating expenditures citywide.

The 2026 budget includes funding for full-time, part-time, and seasonal positions. New full-time and part-time positions requested for 2026 are based on the findings from the staffing study completed in 2024 and to provide for efficient city operations. These positions are a high priority to ensure continued excellence in government and to enhance city services to residents. The following positions are requested for 2026. The chart is not illustrative of rank order for need but organized by priority level.

Requested Position	**Department**	**Priority Level**
Administrative Assistant - Senior Center (Reclassification of part-time to full-time)	Parks & Recreation	I
Analyst - Network	IT	I
Maintenance Worker I – Facilities (5)	Public Service	I
Management Analyst I - Records	Public Safety	I
Recreation Coordinator I (1 - part time, Senior/Adult)	Parks & Recreation	I
Recreation Coordinator II (Aquatics/Adult) (Reclassification of part-time to full-time)	Parks & Recreation	I
School Resource Officer	Public Safety	I
Administrative Assistant	Public Safety	II
Analyst - GIS	IT	II
Fleet Foreman (Reclassification)	Public Service	II
Public Service Manager (Reclassification)	Public Service	II
Recreation Coordinator I (1 - part time, Senior/Adult)	Parks & Recreation	II

Readers should refer to the five-year staffing study accepted by Council on October 7, 2024 per resolution RES 0032-2024 and the department narrative section of this book for additional details. The budget narratives for each department include the proposed 2026 organization chart for each department.

There are three organized labor unions within the City. Their membership and budgeted wage increases are summarized in the table below:

Union	Staff Participation	Members*	2026 Increase	Contract Terms
Fraternal Order of Police (FOP)	Police officers, sergeants, and lieutenants	63	4.5%	January 1, 2025–December 31, 2027
Fraternal Order of Police-Ohio Labor Council (FOP-OLC)	Communications Technicians	12	4.5%	January 1, 2025 – December 31, 2027
United Steelworkers (USW)	Streets, utilities, parks administrative, technicians and foremen	56	**	January 2, 2023 – January 1, 2026

*includes 2026 budgeted positions

**Pending negotiations

All full-time and part-time unclassified employees are on a step plan compensation program (Steps, start – 5). When employees reach step 5 or midpoint, the employee will receive the wage increase included in the following year's salary ordinance. Unclassified employees move through the compensation program on anniversary date opposed to an increase in January each year. The 2026 budget includes a 4% increase for all unclassified employees at or over midpoint.

City employees contribute to one of two public retirement systems per Ohio Revised Code. Full-time police officers contribute to the Ohio Police and Fire Pension Fund (OP&F). The City contributes the legally-mandated minimum of 19.5% of officers' annual salary to the retirement system. All other employees contribute to the Ohio Public Employee Retirement System (OPERS). The City contributes the legally-mandated minimum of 14% of employees' annual salary.

Other fringe benefits include health, prescription drug, vision, dental, life insurance, short-term disability, workers' compensation, employee assistance program, and Medicare. The City has implemented several healthcare and wellness programs over the years to contain healthcare costs. In 2024, the City began a complete overhaul of the City's benefits to maintain cost while creating a better benefit experience for employees and those responsible for the administration of the plan. The City moved all ancillary benefits (dental, vision, life, accident) to a new carrier for plan year 2025, saving the City money. The City engaged the services of NFP, the City's current benefit broker, to perform an analysis to consider whether the City should remain in the Central Healthcare Consortium (COHCC), join a different consortium, move to a fully insured stand-alone plan, or create a stand-alone self-funded plan.   The current relationship with The Ohio State University for the near-site medical facility and wellness programming was also analyzed to determine if utilization was at a level to be of benefit to continue. The analysis resulted in the following:

- Remaining with the COHCC would result in a premium increase of 20% or more.
- Fully funded and other consortium plans were comparable to the COHCC.
- The City has enough employees to support a self-insured plan with no changes to the current level of benefits employees have with the COHCC.
- The self-insured plan could be funded at current premium levels with no increases for employees or the City.
- A new wellness provider would improve employee engagement and improve the program in general.
- The near-site medical facility contract should be terminated as utilization is not high enough to support the costs.

- Moving to a self-insured plan, terminating the contract for the near-site medical facility, and contracting with a new wellness provider, would save the City over $1M with no disruption to employees.

Council passed Resolution 0036-2025 in September 2025, authorizing the City to exit the joint self-insurance agreement with the COHCC and execute agreements for a self-insured program effective January 1, 2026. The contract with The Ohio State University for near-site center and wellness will not be renewed. This program will be replaced by a 24/7 virtual urgent care for city employees and their dependents. A new wellness provider has been selected that will provide increased programming and enhanced user experience. Lastly, the City will improve the Employee Assistance Program by changing to a vendor that has specific programs for First Responders and enhanced technology and platforms for ease of employee use.

The implementation of the self-insured plan for 2026 is reflected in the increase to Other Funds to pay medical and prescription claims and associated administrative expenses from the new Health Self Insurance Internal Service Fund. There will be no premium increases for employees or the City. Premium deductions will be paid into the new fund as administrative charges for services to fully cover the costs of the plan while establishing an adequate reserve.

Operating Expense

The remainder of the City's overall operating budget, 56%, is made up of non-personnel related operating expenses including water and sewer utility operations, contract services, supplies and materials and other expenses necessary to provide for ongoing city operations.

One-third of the City's operating expenses occur in the operation of the City's water and sewer utilities and refuse collections. The remaining types of operating expenses include professional services, economic development incentives, operational and maintenance supplies and equipment, technology services, utility costs, and street salt.

The City budgets these operating expenditures by department based on current and new contracts and needs for materials and supplies. The 2026 budget reflects an increase of $1.2 million in contract services or a 3% increase. A portion of this increase is related to one-time initiatives to implement Our Gahanna and for the transition to the new civic center ($530,000).

In 2025, there was a one-time payment of $5 million to the Gahanna CIC (Community Improvement Corporation) for the land bank program. The Gahanna CIC purchased various properties in the Creekside District in anticipation of redevelopment of the area. To prepare the properties for re-development, the loan issued by the Gahanna CIC required repayment. Funding by the City to the CIC to repay the loan was authorized by Council in September of 2025.

Excluding the 2025 CIC payment, contract services are estimated to increase by $6.2 million or 18% for 2026. $4.8 million of the $6.2 million or 77% is comprised of an increase in water and sewer utility services contract with the City of Columbus and moving to a self-insured plan for health and prescription benefits. These two items have revenue to offset the $4.8 million increase. Additional details are explained below.

- The City purchases water and sewer services from the City of Columbus and re-sells these services to residents and businesses within the City. The City of Columbus has been increasing their rates by approximately 9% each year and a 10% increase is anticipated for 2026, creating an equivalent 10% increase for the City contract with the City of Columbus ($1.6 million). This increase is passed on to residents through increased utility rates.

- As noted above under salary and benefits, the implementation of the self-insurance program will be a savings to the City of over $1 million. However, as a self-insured entity the City must now appropriate for claim expenses for medical and prescription insurance coverage, stop loss coverage, and associated administrative expenses. These expenses will be fully offset by insurance premium deductions for employees and the City while establishing an adequate self-insurance reserve. The claims expense was actuarially determined based on the City's current claims experience and is estimated to be $3.2 million for 2026. Any excess dollars collected from insurance premiums will remain in the self-insurance reserve fund.

Materials & Supplies are increasing by $175,000, or 4%, and is directly related to continued utility increases for electric and additional materials and supplies that will be necessary for the transition to 825 Tech Center Drive.

Capital Outlay

Capital outlay is determined by the Capital Improvement Plan (CIP), which sets forth an actionable capital improvement plan that aligns resources with capital maintenance and improvement projects over four different and distinct plan phases. Each plan phase is defined as follows:

- Actionable – Projects are in the design and construction phase and are actively being implemented. Timelines for completion have been established.
- Assessment – Projects in this category are in the planning and assessment phase and the feasibility for implementation is being consideration.
- Identified – Projects in this category have been identified with feasibility and assessment work to commence in out years.
- Visionary – These projects are considered long-term visionary projects and identified in concept only.

As projects move through a process of assessment, feasibility, and cost, they will either move up on the timeline, be removed, or remain as identified in concept only. The Our Gahanna strategic plan will begin to inform the Capital Improvement Plan in 2026.

The 2026 budget request includes projects identified in the CIP for 2026. Years 2027 to 2030 have been incorporated into the five-year projection. Details can be reviewed in the CIP. The CIP also includes policies associated with the classification, prioritization, execution, monitoring, and close-out of capital projects. Capital expenditure budgets by fund are included in the table below and total $19.5 million.

Fund	2026 Finance Budget
CAPITAL IMPROVEMENT FUND	$ 13,844,500
STREET FUND	550,000
TAX INCREMENT FUND	555,000
ENFORCEMENT & EDUCATION FUND	25,000
WATER CAPITAL FUND	2,730,000
SEWER CAPITAL FUND	875,000
STORMWATER FUND	908,000
Grand Total	**$ 19,487,500**

Debt Service

Debt service in the amount of $6.5 million is included in the 2026 budget. This is for interest and principal payments for:

- 2025 State Infrastructure Bank loan issued for the construction of a new road in the Crescent at Central Park, the newest area being developed by the City.
- 2024 general obligation bonds issued for:
    - Current refunding 2013 bonds outstanding for a debt service savings.
    - Refund a 2023 note payable on a long-term basis for the purchase of 825 Tech Center, the new civic center.
    - Provide resources for remodeling, constructing, and providing furniture fixtures & equipment for the civic center at 825 Tech Center Drive.
- 2024 OPWC Loan for Taylor Station and Claycraft Road intersection improvements
- 2020 judgment bond related to the income tax lawsuit.
- 2015 refunding bonds.
- 2015 street rebuild bonds.
- 2009 & 2011OPWC Loans for various road improvements.

A detailed description of the City's outstanding debt, planned debt service revenue, and expenditures is provided in the Debt Service section of the budget document.